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1 JULY 1986

Southeast Asia Report

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1 JULY 1986

SOUTHEAST ASIA REPORT

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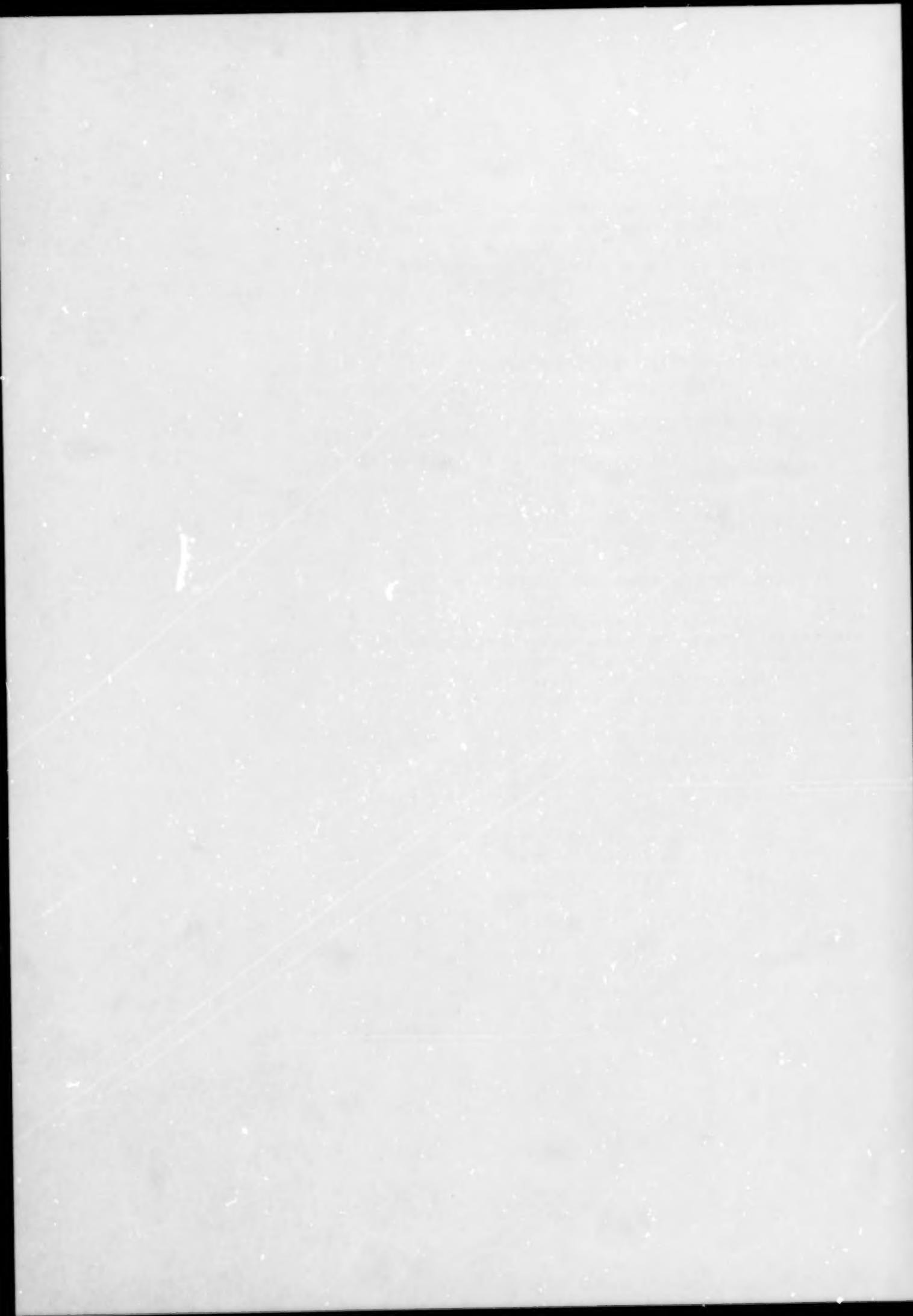
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INDONESIA

SOVIETS URGED TO END GENOCIDE, LEAVE AFGHANISTAN

Jakarta ANTARA NEWS BULLETIN in English 19 May 86 p A5

[Text]

Jakarta, May 19 (ANTARA).- Indonesian leaders and Mps urge the Soviet Union to stop genocide and massacre in Afghanistan and withdraw its occupation forces from the non-aligned country.

K.H. Hasan Basri chairman of the Indonesian Ulema Council said the Soviet troops must be withdrawn from Afghanistan and its people allowed to determine its own future.

Deputy speaker of the parliament (DPR) Nudin Lubis urges Soviet leader Mikhail Gorbachev to stop torturing and the mass murder of the Afghan people. These are inhuman, said Nudin Lubis, who hoped the Kremlin leaders would implement the UN resolutions on Afghanistan, in line with Non-Aligned spirit and IOC resolutions for the immediate and unconditional withdrawal of Soviet occupation forces.

Amin Iskandar, general chairman of KSRIA (Indonesian-Afghanistan People's Solidarity Committee) and MP, urges the Russians to stop using lethal, nerve-, and poison bombs against the Afghan people. Also chemical warfare and napalm bombs should no longer be used as they are also banned by the Geneva convention.

It has already been nearly seven years that the Russians have been torturing the Afghan people, but the resistance grows stronger, said Amin Iskandar, a KSRIA release said.

Marcel Beding from the Indonesian Democratic Party strength as a revangist way against the Afghan people. In places under the control area of Mujahidin, Russian occupation troops burn crops and level the country to the ground only to quell the resistance.

There are now 40,000 Afghan youths trained in Russia to become communist vanguards.

Drs. Lukman Harun, vice chairman of the Muhammadiyah and chairman of KSRIA, said there are now five million Afghan refugees in Pakistan and Iran, while more than one million have lost their lives caused by brutal Russian occupation. Lukman hopes the civilised world and religious peoples promote their solidarity with the Afghan patriotic resistance against Russian occupation forces.

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CSO: 4200/1123

INDONESIA

MINISTER ON DEBT SERVICE RATIO, BANK CREDITS

Jakarta BUSINESS NEWS in English 16 May 86 p 9

[Text] The installments of foreign principal debts and the interest in 1985/86 estimatedly totalled U.S.\$2,947.1 million. With the net revenue derived from exports, including oil exports, amounting to around U.S.\$11,683 million, Indonesia's debt service ratio in 1985/86 stood at about 25.2 percent.

This was reported by Minister of Finance Drs Radius Prawiro at a meeting with Parliamentary Commission dealing with the state budget here earlier this week.

Radius pointed out that the repayment of foreign debts showed a decline in 1985/86 compared with the previous fiscal year as a result of the implementation of a more favourable financing system in the installments of foreign debts and the interest.

The decline in the interest rates of commercial credits in various foreign currencies in 1985/86 is another factor causing the decrease in the installments of foreign debts, he explained.

The installments of foreign debts for 1985/86 have reached Rp 3,303.1 billion, comprising Rp 1,794.4 billion for principal debts and Rp 1,508.7 billion for the interest, with an average exchange rate of Rp 1,120.8 per U.S.\$1.00.

Bank's Credits

The government will continue to step up the role of bank's credits in stimulating private investments to cope with the possible decline in government's investments, Radius confirmed.

With the assumption that the export price of crude oil is as high as the price level mentioned in the 1986/87 State Budget and Financial Note, the addition of bank's credits is projected at Rp 3,500 billion.

But if the export price of crude oil is lower, the addition of bank's credits must be adjusted so as to maintain economic activities in the country and to meet the target of development.

The amount of bank's credits remains fixed based on the policy of monetary stability which is dynamic and aimed at keeping the inflation rate at the reasonable level, he said.

To meet the target in securing the growth of bank's credits, the monetary authority has since June 1, 1983 used indirect monetary instruments such as money market securities, Bank Indonesia certificates and such other facilities.

The government never stops maintaining economic stability by keeping the inflation rate at the controllable level to support economic growth, Minister Radius added.

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CSO: 4200/1130

1 July 1986

INDONESIA

ECONOMIC COOPERATION AGREEMENT SIGNED WITH GDR

Jakarta ANTARA NEWS BULLETIN in English 17 May 86 p A1

[Text]

Berlin, May 17 (ANTARA/ADN). Indonesia and the German Democratic Republic (GDR) have signed an agreement to enhance economic cooperation between the two countries.

GDR Vice-Foreign Trade Minister Claus Gaedt and Director General for overseas economic relation Atmono Suryo signed an agreed protocol at the end of the second meeting of the joint commission for economic cooperation.

It provides for the GDR to take part in select industrialization projects in the scope of Indonesia's fourth five-year plan, particularly in the fields of mechanical engineering, electrical engineering and electronics.

GDR imports from Indonesia will include agricultural raw materials and industrial products.

The foreign trade minister of the German Democratic Republic, Dr. Gerhard Bell, received Atmono Suryo, here on Friday.

The two sides described as positive the development of bilateral economic relations last year.

Indonesia's participation in the Leipzig Fair and the GDR's in the international Jakarta Fair promoted continuity in these relations. There were good prerequisites for continuing good cooperation in the foreign trade field this year, it was said here.

During his stay in the GDR, Atmono Suryo also met GDR Vice-Ministers and State Secretaries for Machine Tool, Heavy and Light Engineering and Electrical Engineering and Electronics to discuss the extension of economic cooperation and development of industrial cooperation.

With Vice-Foreign Minister Gerd Koenig he exchanged views on international issues and the further development of friendly relations.

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CSO: 4200/1123

INDONESIA

PLYWOOD SALES CONTRACT, COOPERATION AGREEMENT WITH JAPAN

Jakarta ANTARA NEWS BULLETIN in English 21 May 86 pp A1, A2

[Text] Jakarta, 21 May (ANTARA)--A sales contract covering 200,000 M3 of plywood worth U.S.\$50 million was signed Tuesday evening at Hilton Hotel, Jakarta, between ten Indonesian plywood firms and Japanese importers for shipments in the second semester of 1986.

Besides the sales contract of plywood also signed was a cooperation agreement between the APKINDO (Indonesian timber panel association) and the Japanese Study club on Indonesian Plywood for the joint marketing promotion of Indonesian plywood in Japan.

Both sides have agreed that the Study Club on Indonesian Plywood will promote Indonesian plywood marketing in Japan through the holding of seminars and advertisements in the Japanese mass media.

Apart from that, APKINDO has also agreed to hadn over the sum of ¥ five million to the Japanese Study Club on Indonesian Plywood to pay for the promotion costs in Japan.

The cooperation agreement was signed respectively by APKINDO general chairman M. Hasan, and by Kiyozzi Mazaki and Sugio representing the Japanese Study Club on Indonesian Plywood.

Minister for National Development Planning concurrently Chairman of the National Development Planning Board J. B. Sumarlin as trade minister a.i. in his address said the steps taken by APKINDO are in line with the 6 May Economic Package to step up non-oil/non-gas commodity exports.

He called for further stepping up of the cooperation for the interest of both countries.

The chairman of the Japanese delegation, K. Mazaki, hoped the signing of the contract of sale and the cooperation agreement would step up cooperation between both countries for mutual benefit. Indonesian plywood export to Japan could be increased if the quality could be preserved, the supply continuous and shipments carried out in due time. Indonesian plywood is at present much

in demand in Japan due to its quality and its relatively cheap price, Mazaki said.

Favourable Price

APKINDO general chairman M. Hasan to newsmen said that the price of Indonesian plywood at the international market had improved continuously since April 1986. In the Middle East the price of plywood recorded an increase of about U.S.\$40 per M3 and in China of about U.S.\$25 per M3.

Indonesian plywood exports in 1985 recorded a value of about U.S.\$800 million and it is expected that the 1986 export value would reach the one billion U.S. dollar mark, M. Hasan said.

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CSO: 4200/1130

INDONESIA

SECOND STAGE OF OIL SALE TO PRC NEGOTIATED

Jakarta ANTARA NEWS BULLETIN in English 23 May 86 p A3

[Text]

Jakarta, May 23 (ANTARA).- Indonesia is currently still negotiating the second stage of its oil sale to the People's Republic of China (PRC) after China signed a contract to buy 1.5 million barrel of Indonesian oil last month.

Answering press question at his office Thursday, Minister of Mines and Energy Subroto said, "in short, the second stage of oil sale to China is being negotiated."

Declining to give the details of the price, Subroto only said that the price was above ten dollar per barrel.

He pointed out that the sale of oil to PRC is not causing a problem, provided that it is in accordance with reasonable price, "and this is in fact in line with the Indonesian wish to diversify its crude market."

According to Subroto, PRC is purchasing Indonesian oil, as it considers Indonesian oil is more cheaper, moreover PRC's oil field is located far in the northern part of the mainland. So that it is cheaper to buy Indonesian oil for its refinery in the southern part of the country.

According to reports from Tokyo, the Minas Sumateran light crude would be chosen for the purchase which would be carried out by Sinochem company.

Sinochem last month had signed a contract with Indonesia for the purchase of 1.5 million barrels of oil which was shipped this month.

K.A. Endin, spokesman for Pertamina state owned company said that a total of 400,000 barrel of the Minas Sumateran light crude had been shipped from Dumai refinery in Riau last month to the PRC.

He said that it was a promotion sales which would be followed by a business transaction.

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CSO: 4200/1130

INDONESIA

CRUDE EXPORTS TO JAPAN SHOW INCREASE

Jakarta ANTARA NEWS BULLETIN in English 13 May 86 p A3

[Text]

Tokyo, May 12 (ANTARA).-- Indonesia's crude exports to Japan from January through March 1986, after staying low at a daily average of below 400,000 barrels from April through September 1985, increased again to an average of over 400,000 barrels per day.

From April through September last year, Indonesia's crude exports to Japan reached only 304,000 barrels per day. The performance stood at a daily average of 438,000 barrels from October 1985 through March 1986.

Purchasers of Indonesian oil in Japan said the increase was particular thanks to the fact that Indonesian oil has become competitive on the market, and to the flexible and aggressive approaching policy of the Indonesian government and the state oil company Pertamina.

They praised the attitude of Pertamina officials for their business-wise approach to the markets. The previous attitude was considered as "untouchable".

Pertamina President Director Rachman Ramly visited Tokyo, Nagoya and Osaka last year, and met Indonesian oil purchasers.

While the average crude export volume in the past six months has not reached the average of the period from January through March 1985 (460,000 barrels per day), the consumers of Indonesian oil were confident the level would be reached or even passed.

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CSO: 4200/1123

INDONESIA

VALUE OF NONOIL EXPORTS DROP DURING FIRST QUARTER

Jakarta ANTARA NEWS BULLETIN in English 20 May 86 p A7

[Text] Jakarta, May 19 (ANTARA)--The export value of Indonesian non-oil/gas commodities in the first trimester (January-March) 1986 declined by 6.3 percent if compared with the export value in the same period last year.

Indonesian non-oil/gas export value in the first three months of 1985 was 1,509 million US dollar, while in 1986 it reached only 1,414 million US dollar, a decline of 95 million US dollar.

The non-oil/gas export commodities having the biggest value were timber (156.11 million US dollar), with rubber coming in second (98.33 million US dollar), followed by handicrafts (79.35 million US dollar) and coffee (78.34 million US dollar).

Frozen shrimp reached 40.47 million US dollar, tin 34.49 million US dollar, nickel 17.20 million US dollar and palm oil 15.86 million US dollar.

Most of the non-oil/gas commodities were exported to the US, Japan, EEC nations such as Italy, Britain, Holland and France, and South Korea, Singapore, Honkong, East European and Middle East countries.

Meanwhile, the export value of LNG (liquified natural gas) in the first trimester of this year increased by five percent if compared with the same period in 1985.

The export value of the commodity in the first three months of 1985 was 986.56 million US dollar and in the same period of 1986 it increased to 1,034.15 million US dollar, a hike of 47.54 million US dollar.

Indonesia's LNG export in the first three months of 1986 came from the Badak field (493.37 million US dollar) and the Arun field (540.76 million US dollar).

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CSO: 4200/1124

INDONESIA

LNG SALES CONTRACT WITH TAIWAN SIGNED

Jakarta ANTARA NEWS BULLETIN in English 23 May 86 p A3

[Text]

Jakarta, May 23 (ANTARA).- Indonesia beginning from 1988 is to export Liquefied Natural Gas (LNG) to Taiwan at the total of two million tonnes per annum for 20 years period, it was disclosed here Thursday.

Minister of Mines and Energy Prof. Subroto when answering press question at his office disclosed that a contract was already signed last week for the purchase of LNG by Taiwan.

According to the contract, Taiwan is to buy two million tonnes of LNG from Indonesia to fulfil its energy demands during 20 years.

Subroto said that toward this end, Indonesia is currently constructing the fifth production unit (train-E) at Bontang, East Kalimantan in addition to the four trains which were already available.

The fifth train is estimated to yield 1.5 million tonnes of LNG annum equal to 28 shipment of LNG per year.

Subroto did not mention the price of the LNG to be shipped to Taiwan.

Pertamina spokesman said that the purchase does not differ from those applied to date, namely relating the LNG price to about 90 percent of the average price of Indonesian exported oil.

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CSO: 4200/1130

INDONESIA

FEWER 'GUEST WORKERS' AT BONTANG LNG REFINERY

Jakarta ANTARA NEWS BULLETIN in English 13 May 86 p A1

[Text] Jakarta, May 12 (ANTARA)--The number of guest workers employed at the Bontang liquid natural gas (LNG) refinery P.T. Badak has dropped lately.

At present only 88 guest workers remain at the technical section.

In 1983 of the 8,737 workers comprising 7,000 workers and 1,737 guest workers, almost 800 were South Koreans, the biggest buyers of LNG from P.T. Badak, according to the public relations official H. Effendi Monday. At that time LNG was a major foreign exchange earner.

Among the present 1,500 workers 88 are foreign workers and they are employed in two refineries.

The number of guest workers are increasingly dropped, so that finally all work will be done by the Indonesians themselves.

According to Effendi to get trained workers, the workers are set to work under supervision of trained workers with facilities centres in Indonesia, including in Medan, Palembang, Jakarta, Bandung, Malang, Samarinda and Ujungpandang.

It is also possible for the workers to train at the Naval Education Command in Surabaya and work at the Bontang project training centre.

Up to 1983 the number of trained personnel had reached 877, Effendi said.

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CSO: 4200/1123

INDONESIA

MINISTER SAYS EAST TIMORESE MAY VISIT AUSTRALIA

Jakarta ANTARA NEWS BULLETIN in English 20 May 86 p A8

[Text] Jakarta, May 19 (ANTARA)--Home Minister Soepardjo Rustam has stressed that at present there was no law against going to Australia for East Timorese who want to visit their families.

He gave the statement after having a one-hour talk with the Australian Minister for Immigration and Ethnic Affairs Christ Hurford here Monday evening.

He stressed the possibility to Christ Hurford after the Australian minister explained about some 6,000 East Timor people who have become Australian citizens.

Minister Soepardjo Rustam said his talks with the Australian counterpart were mostly about the relations between Australia and Indonesia.

"We talked about steps to increase the good relations between the two countries," said Minister Soepardjo, who was accompanied by Christ Hurford, to the press.

The same thing can be applied to the 11 Irian Jaya people who are now in Australia. There is no law against their returning to Indonesia.

On the occasion, Minister Christ Hurford reiterated Australia's commitment to take in 1,400 Indochinese refugees now accommodated in Indonesia's transit camps on Galang Island.

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CSO: 4200/1123

1 July 1986

INDONESIA

IKADIN ONLY BAR ASSOCIATION TO BE PERMITTED

Jakarta ANTARA NEWS BULLETIN in English 14 May 86 p A1

[Text]

Jakarta, May 13 (ANTARA).-- Minister of Justice Ismail Saleh has stressed that lawyers organizations beyond IKADIN (Association of Indonesian Barristers) should be dissolved soon.

At a working meeting with Commission III of the DPR (parliament) led by its deputy chairman Sulaksono here Tuesday, the minister said the existence of another lawyers organization will reduce the function of the Ikadin as a single forum for lawyers in Indonesia.

According to Ismail Saleh, Ikadin should be able to play its role as a single forum for the Indonesian barristers especially in the current consolidation process.

The minister said further that Law no.14/1985 article 36 stipulates that the Supreme Court and the government will supervise and develop lawyers/barristers.

Minister Ismail Saleh explained further that the government in this respect is carrying out general supervision whereas the supreme court is carrying out specific control namely over the technical court proceedings.

Law No.14/1985 is a special part of Law no.8/1985 on mass organizations so that the government also reserves the right to control professional organization like Ikadin.

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CSO: 4200/1123

INDONESIA

MINISTER DISCLOSES RISE IN TRAIN SABOTAGE

Jakarta ANTARA NEWS BULLETIN in English 20 May 86 p A9

[Text] Jakarta, May 20 (ANTARA)--Minister of Communications Roesmin Nuryadin told the House Commission V here Monday that the number of train accidents by sabotages in 1985/86 increased from the same period of 1984/85.

"This year two train accidents were caused by sabotage," he added.

On April 1, 1986, the Senja Utama train linking Solo-Jakarta struck a wooden slipper which was put by irresponsible persons on the railway track. But this accident caused no casualty.

The second accident took place on April 26 when the Bima train destined for Surabaya from Jakarta derailed, 15 km east of Solo. Someone had damaged the train track at a certain point. A similar accident also took place on November 28, 1985 at Gambilangu village near Semarang.

Rusmin said that such accidents frequently occurred in view of the vast railway networks which were difficult to control and were vulnerable for such sabotage attacks.

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CSO: 4200/1124

1 July 1986

INDONESIA

NGURAH RAI AIRPORT EXPANSION PLANNED

Jakarta BUSINESS NEWS in English 23 May 86 p 9

[Text]

The Communications Department is planning to expand the Ngurah Rai airport in Denpasar, Bali, to cope with the rising flow of tourists visiting the island. Minister of Communications Roesmin Nurjadin reported at a meeting with Parliamentary Commission V here recently.

The expansion of the airport will be undertaken in stages, the minister said, and added that the expansion work would be aimed at increasing the capacity of the airport in serving the transport of passengers & goods, besides improving various facilities needed, including facilities to secure better flight safety.

A feasibility study to prepare the expansion project was completed in 1982, and the preparation of the technical design is expected to be finished in July this year.

The physical work of the expansion project will be handled in three stages, comprising the first stage from 1990 to 1995, the second stage from 1996 to 2000 and the third stage from 2001 to 2010.

The total of funds needed to finance the project is estimated at Rp 117,400 million in the first stage, Rp 37,469 million in the second stage and Rp 59,971 million in the third stage.

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CSO: 4200/1123

INDONESIA

NU CHAIRMAN EXPLAINS 'MUSLIM FUNDAMENTALISM'

Jakarta ANTARA NEWS BULLETIN in English 20 May 86 p A4

[Text] Jakarta, May 20 (ANTARA)--Home Affairs Minister Soepardjo Rustam for more than two hours discussed the terminology of "Islam Fundamentalism" with Abdurrachman Wahid, the general chairman of Nahdlatul Ulama (NU), the country's biggest Moslem organization, at the former's office here Monday.

Following the meeting with Minister Rustam, Abdurrachman Wahid told newsmen that in his opinion as long as there was no one having the intention to change the Pancasila state philosophy with other ideologies, the so-called Islam Fundamentalism would not exist in Indonesia.

Therefore, if some Moslems wear "jilbab" (veil), it should be considered merely as something concerning the founding of "Moslem Identity" of the wearers.

According to Wahid apparently the Home Affairs Minister understood his explanation.

At the meeting, Minister Rustam also asked whether or not NU, from the organizational point of view, had run smoothly, said Wahid.

Speaking about the many members of NU who became Golkar (Functional Group) members, he said the relationship between NU and the political parties is a personal relationship in that every NU member is free to join one of the two political parties or the Functional Group as long as he is not among the executive organizers of the Moslem mass organization.

Today there is no executive organizer of NU holding any position in other political organizations or Golkar. This is simply because NU wants to become an independent organization that does not depend on the developments of the country's political situation and has the capability of serving various parties.

Wahid also said that Minister Rustam welcomed the NU's decision to become an independent organization and also expressed hope that NU would be able to tie harmonious cooperation with all socio-political forces.

The general chairman of NU also underscored that NU did not have any commitment to any of the socio-political forces in the country in facing the coming general elections.

INDONESIA

NU GOVERNMENT HALTS SUBSIDY FOR KIJANG FERTILIZER PLANT

Jakarta BUSINESS NEWS in English 28 May 86 pp 7, 8

[Excerpts]

PT Pupuk Kujang, a fertilizer producer in West Java, has no longer received a subsidy from the government because the company has gained profits by lowering the production cost to below the selling price of its fertilizer.

From the profits gained after being reduced with tax and other costs, the company has been able to set aside funds for social and educational activities the amount of which continues to increase every year, President Director of PT Pupuk Kujang Salmon Mustafa reported at a meeting with Parliamentary Commission VI here recently.

The plant has been operating smoothly with an installed capacity of 1,725 tons/day. In 1985 the plant operated below the installed capacity because of the decrease in the supply of natural gas from Pertamina.

The real production of fertilizer by PT Pupuk Kujang stood at 439,118.800 tons in 1979, 554,733.375 tons in 1980, 528,460.475 tons in 1981, 515,401.700 tons in 1982, 578,310.700 tons in 1983, 577,733.200 tons in 1984 and 199,842.75 tons in the first four months of 1985. The production of urea by the plant had up to 1985 reached 3,759.958 tons.

In the implementation of the linkage program, last year PT Pupuk Kujang bought products worth Rp 1,215 million from small scale industries and Rp 289.3 million from medium industries.

The payment of tax by PT Pupuk Kujang from 1979 to March 1986 reached Rp 24,286.9 million to the Central Government and Rp 637.3 million to the Provincial Administration.

The net profits enjoyed by the company after paying tax in the 1979-1984 period totalled Rp 65,649.7 million.

The marketing and distribution of fertilizer from PT Pupuk Kujang, among others to West Java and Central Java, is entrusted to PT Pusri.

The cost of production borne by PT Pupuk Kujang, according to Salmon, is still higher than that paid by PT Pusri and the ASEAN fertilizer plant in Aceh.

To minimize the cost of production, PT Pupuk Kujang has stepped up efficiency, Salmon said.

/9317
CSO: 4200/1123

INDONESIA

PESTICIDE SUPPLY, DISTRIBUTION, PRICES DISCUSSED

Jakarta ANTARA NEWS BULLETIN in English 16 May 86 p A7

[Text]

Jakarta, May 16 (ANTARA).- There never was any plan for self-sufficiency in pesticide because pesticide research demands high technology and a lot of money.

However, it is expected that by 1987/1988 most of the demand for active pesticide ingredients will be met.

This was stated by the chairman of AP3I (the association of Indonesian Pesticide Industry Companies), Hamim Penna, at a hearing with Parliament's Commission IV (on agricultural affairs) led by its vice chairman, Yahya Chumaidi, here Friday.

Asked by the commission about the problems faced by AP3I in supplying and distributing pesticide during Replita IV (the five year development plan, 1984/1989, Hamim said the prices of pesticide are influenced by their active ingredient prices, exchange rates of foreign currencies, and bank's interest.

At present, 450 types of pesticide are registered, and 150 types are traded on the market. The figures are relatively small if compared with the existing 10,000 trade-marks all over the world.

According to data from AP3I, the use of pesticide in this country keeps on increasing from year to year. In 1978, a total of 3,662 kilos of insecticide (eg. Dioxinon 60 EC) were used, and 119 kilos of rodenticide (eg. Racumin). In 1986, it is estimated that about 17,700 kilos of insecticide and 150 kilos of rodenticide will be needed.

/9317

CSO: 4200/1123

INDONESIA

BRIEFS

PROJECTED SUGAR OUTPUT--The Indonesian sugar output is projected to increase by 15 percent this year compared with last year, according to sources in the Ministry of Agriculture. The target of the sugar production this year has been set at 1.991 million tons, or about 15 percent over 1.725 million tons last year. The increase in the sugar production is mainly due to the implementation of the intensification program on the planting of sugarcane. The realization of the intensification program on smallholders' sugarcane plantations in Indonesia had till the end of March this year covered 37,554 ha or around 47.5 percent of the target of 79,000 ha which has been set for the 1985/86 fiscal year. In fiscal 1984/85, the realization of the intensification program on small-holders' sugarcane estates reached 32,118 ha. [Text] [Jakarta BUSINESS NEWS in English 14 May 86 p 6] /9274

TRADE EXPANSION TALKS WITH CZECHOSLOVAKIA--Jakarta, 24 May (ANTARA)--Indonesia and Czechoslovakia have started taking concrete measures for expanding trade and economic co-operation between the two countries, ANTARA reported from Prague last week. As the trade volume between the two countries had been relatively small, special measures for expansion had been discussed in the first meeting of the Indonesia-Czechoslovakia joint committee in Prague, 19-21 May. The nine-man Indonesia delegation to the meeting was headed by Director General for Foreign Economic Relations Asmono Suryo while the Czechoslovak delegation was headed by Deputy Minister of Foreign Trade Jaroslav Jakubec. The three-day talks were concluded with the signing of agreed minutes at the Zbraslav Palace in Prague on 21 May. Indonesia, in the agreed minutes offered its products and commodities in which Czechoslovakia presented a list of its products to Indonesia containing items such as machinery for the manufacture of agricultural equipment, machine tools, printing machines and machines for leather processing. Before leaving Prague for home, the Indonesian delegates visited a semi-conductor industry in the capital. [Text] [Jakarta ANTARA NEWS BULLETIN in English 23 May 86 p A1] /9274

ROK ARMY CHIEF OF STAFF VISIT--Jakarta, 27 May (ANTARA)--Minister of Security and Defence Poniman Monday received Army Chief of Staff of South Korea Gen Hee Do Park in his office here Monday. Gen Park earlier called on Gen L. B. Moerdani and received the Kartika Eka Paksi Utama medal from the Indonesian Armed Forces Commander. Gen Park talked about bilateral relations particularly on efforts to enhance cooperation between the two armed forces. During the talks Gen Park was accompanied by Korean Ambassador to Indonesia Choi Sang Sup and his defense

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attache Col Suh Sae Ho while Gen Poniman was a flanked by Army Chief of Staff Gen Rudini. [Text] [Jakarta ANTARA NEWS BULLETIN in English 27 May 86 p A6] /9274

PEAT RESERVES SAID FOURTH LARGEST—Jakarta, 27 May (ANTARA)—Indonesia has the fourth biggest peat reserves in the world, covering an area of 26 million hectares with a thickness of 30 cms, after Canada (170 million hectares); Russia (150 million ha) and the U.S. (40 million ha), expert staff member of the directorate general of general mining of the ministry of mining and energy, Sukarsono, said to ANTARA here Monday. Sukarsono pointed out that peat which could be utilized as fuel in the fields of agriculture, forestry, and chemical industry, could be found in great quantities in Sumatera, Kalimantan and Irian Jaya. He estimated Indonesia's peat potential gross energy at 42×10^9 barrels of oil equivalent (BOE) and after deduction of the percentage of water (30 percent) at 28×10^9 BOE. Taking into consideration however the vast peat in Indonesia and the lack of research data, several initial steps should be taken, such as drawing up an inventory of the peat potential in Indonesia, covering locations, thickness quality as well as study of the environment. Different from oil, coal and firewood, peat as energy source is not very much known. But if peat could be utilized in Indonesia, it would be of great help in diversifying the energy sources, Sukarsono said. [Text] [Jakarta ANTARA NEWS BULLETIN in English 27 May 86 p A3] /9274

CSO: 4200/1130

LAOS

COMMENTARY SCORES PRC, DK PEACE PROPOSAL

Vientiane PASASON in Lao 30 Apr 86 p 4

[Column: "Soft Chorus of the Beijing Reactionaries and Their Henchmen"]

[Text] These days Khmer reactionary groups are using the powerful propaganda techniques of reactionary capitalists to spread their fabricated reports far and wide. They are doing this to change the real situation in Kampuchea, to smear the government of the PRK and to naively condemn Vietnam. Reports claim that all the genocidal forces of the Pol Pot group and Khmer reactionary group have militarily and forcefully cornered Vietnam's volunteer forces in Kampuchea and are winning in many areas there. Along with that, the international Beijing reactionaries who command the planning behind the scenes are adding to this propaganda by immediately issuing reports to support it. For example, the Beijing reactionaries have set the stage for fabricating rumors to alter world opinion, which supports the good intentions of Vietnam and the proposal of the three Indochinese nations for a peaceful solution to the regional problem of the Kampuchean conflict.

After the Kampuchean coalition government's announcement of its "Eight Proposals," the ghost government and the Beijing reactionaries and their henchmen stepped up their propaganda to smear Vietnam very badly. But this propaganda is not true and has no foundation because the PRK is on the right road in defending and developing a country, which no enemy can change. The people of Kampuchea under the leadership of the Revolutionary Party of Kampuchea with comrade secretary general Ieng Samrin as its leader continue to step up firmly onto the road to socialism that they have already selected. Everyone knows that the PRK is growing stronger. At the same time, the PRK government has expressed its good intentions to solve domestic and international conflicts, as proposed at the 12th meeting of the foreign affairs ministers of the three Indochinese countries of Laos, Vietnam and Kampuchea in Vientiane, which discussed the present situation and needs.

The attendants of the international imperialists persist in unanimously propagandizing their support for the Khmer reactionaries in exile--who do not have even a handful of Kampuchean soil in their possession--in looking for opportunities to return and kill Kampucheans again. However,

the people of Kampuchea, the peoples of the three Indochinese nations and the world populace cannot allow this to happen at all.

Note that those who are openly propagandizing and distorting the truth in order to retain their influence over the Khmer Rouge are in ASEAN bloc nations, especially Thai rightist reactionaries in Thai power circles. Before departing for the ASEAN foreign affairs ministers conference to be held in a few days at Bali, Mr Sithi Savetsila, the Thai minister of foreign affairs, candidly announced his support for the reactionary Khmer government's Eight Proposals. He was preparing to urge support from the president of the United States, who will come to this island very soon, and he is aiming to deeply involve the United States in waging an undeclared war against the people of Kampuchea as they build their lives.

In reality, the reactionary Khmer government's Eight Proposals were issued from Beijing. These are deceptive proposals, full of schemes that claim to solve the nation's conflict. These proposals will build the conditions for letting the genocidal Pol Pot group and its allies increase the violence and foreign infiltration they bring into Kampuchea.

Therefore it is not surprising that the Beijing reactionaries and reactionary Khmer and their henchmen are screaming propaganda claiming victory during the preparations for the welcoming ceremony for President Reagan of the United States. Reagan will transit in Bali, Indonesia, before going on to the meeting of the leaders of the six industrialized countries in Tokyo. The Khmer Rouge group and the reactionary leaders of ASEAN and Beijing are seeking the favor of the United States as they seek to compete for more military aid. This chorus is just a planned orchestration so that they can increase tensions and destroy possible negotiations between the Indochinese countries and ASEAN, and destroy the peace and stability of the nations in this region and around the world. The unheard chorus of the Beijing reactionaries and their henchmen goes against the wishes of the people in this region and the whole world.

12597/9190

CSO: 4206/103

LAOS

SARAVANE ECONOMIC PRODUCTION, SECURITY, CURRENCY FLOW

Vientiane PASASON in Lao 30 Apr 86 p 2

[Article: "Saravane Concentrates on Improving Production in Grassroots"]

[Excerpts] Mr Olapho Sagnavong, the deputy party chief and also the chairman of the Saravane Province administration, announced to reporters recently that Saravane Province has been experiencing many economic difficulties over the past year in finance, banking, trade and other areas. However, the province has been trying every kind of measure to make the economy appropriate to the special needs and actual conditions of the province by sending a lot of cadres to grassroot areas. Vapi, Kongsedone and Lakhone Pheng Districts have been able to become primary and highly efficient food production centers.

The overall defense effort for the first 3 months of 1986 for the entire province follows: Saravane, Ta-Oy and Toum Lane Districts were basically peaceful, with defense corps and security police built up and strengthened in the Vapikhampthong, Lakhonepheng, Khongsedone and Laov Ngam Districts. Production in villages and agricultural cooperatives in grassroots areas was strengthened.

In addition, production foodstuffs were expanded another step. The province has become self-sufficient in food and there is some food left over for trading. Compared to past year, the trade section has been able to purchase 1,000 tons of rice, 100 tons of cardamom, 800 tons of coffee beans, 200 tons of soy beans and 100 tons of other varieties of beans. The volume of industrial goods for trade has increased tremendously so bank cash deposits have increased and cash flow is normal. The bank has been able to pay cash for purchasing forest goods from the people and to ensure salary payments and also basic construction.

12597/9190
CSO: 4206/103

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LAOS

BRIEFS

CHAMPASSAK RICE SALES--To date, Transport Companies 1 and 2 under the Ministry of Transport and Post Offices have hauled to Savannakhet 5,400 tons of rice paddy out of the 18,000 tons of paddy for which the Central Foodstuffs Corporation signed a purchase contract with the Champassak Province Foodstuffs Corporation. The Ministry of Transport and Post Offices was designated to haul this rice from Champassak to Savannakhet and from Keng Ka Bao Port up to Vientiane. [Excerpt] [Vientiane PASASON in Lao 26 Apr 86 p 1] 12597/9190

ELECTRICITY PRODUCTION--The State Lao Electricity Enterprise is planning to strive to decrease the problem of power failures and to produce more power. It is determined to expand the use of electricity in production in the grassroots and rural areas. In 1986 alone, many more plans for each section of the enterprise have been completed than projected; for example, electricity production at Nam Ngum Dam during the first half of 1986 has been 185,201,000 kilowatt hours, which is 102.29 percent more than projected for the entire year. [Excerpt] [Vientiane PASASON in Lao 26 Apr 86 p 2] 12597/9190

SARAVANE COFFEE HARVEST, SALES--The Saravane Province Trading Company has now bought 900 tons of coffee from growers since November. The Trade Section of Saravane Province joined the provincial Import-Export Company in purchasing coffee beans this year by stationing cadres at the various trade cooperatives in Muang Laow Ngam District that are important coffee plantations. The coffee beans were purchased with cash at a fair price. The Trade Section also supplied equipment for production and for making everyday consumer goods through direct barter with the coffee growers. To date, coffee beans purchases have exceeded those projected by the Central Party. In May, it is projected that the Saravane Province Trading Company will speed up its completion of planned purchases of 1,060 tons of coffee beans by the province. [Excerpt] [Vientiane PASASON in Lao 29 Apr 86 p 1] 12597/9190

SARAVANE LUMBER PRICE--The Saravane Province Lumber Mill under the Wood Exploitation and Woodworks Company is striving to meet its deadlines to produce the different designs for parquet floors demanded by different construction projects. The lumber mill has 60 workers and medium-sized machinery capable of producing 7 cubic meters of parquet per day. Since

March 1986, the lumber mill has been able to produce 579,720 cubic meters of parquet valued at 8 million kip. [Excerpt] [Vientiane PASASON in Lao 29 Apr 86 p 2] 12597/9190

QUANG NAM-DANANG, SARAVANE HYDROPOWER WORK--Saravane and its twin city, Quang Nam-Danang of the SRV, are currently preparing and collecting data prior to signing an assistance agreement for constructing a hydroelectric dam in the Muang Laow Ngam area of Savarane Province. This hydroelectric dam will be built at the Houay Tapu River. The electrician cadres of Saravane Province and experts from its twin province conducted a site survey and designed the dam from the beginning of the year until 11 April. After the survey, they predicted that the dam will be able to generate 300 kilowatt hours of electric power for use in the urban areas of Laow Ngam District. This project will be started at the end of 1986. The project is funded by the people of Laow Ngam District and will be assisted by experts and materials from the twin province of Quang Nam-Danang. Construction will be completed in 1987. [Excerpt] [Vientiane PASASON in Lao 30 Apr 86 p 1] 12597/9190

SALI KHAMVONGSAO AT JAPANESE RECEPTION--On 29 April, Mr Toshida Katada, the Japanese ambassador to the LPDR, gave a reception at his residence to celebrate the 85th birthday of His Majesty Hirohito, the emperor of Japan. Mr Sali Khamvongsao, deputy chairman of the Council of Ministers and chairman of the State Planning Committee, Mr Khamphay Phoupha, acting minister of the Ministry of Foreign Affairs, other deputy ministers, many high level cadres from various organizations and diplomats were invited to this reception. [Excerpt] [Vientiane PASASON in Lao 30 Apr 86 p 1] 12597/9190

CSO: 4206/103

PHILIPPINES

STATISTICS SHOW FOREIGN INVESTMENT UP IN WORST YEAR

Quezon City VERITAS in English 11 May 86 p 8

[Text]

FOREIGN investments continued to pour into the Philippines during 1984, now recorded as the darkest year yet in the postwar history of the nation's economy, according to a National Census and Statistics Office (NCSO) review.

NCSO said American and 14 other foreign investors plunked P3.9 billion in venture money into the country that year, the sum showing a 31 per cent rise over similar investments in the previous year which totailed P2.9 billion.

The agency cited records which show the national economy suffering a steep five per cent negative growth in 1984 due to the political turmoil and economic standstill caused by the assassination of former Senator Benigno S. Aquino in late 1983.

It added that the same negative economic growth continued in 1985 although at a lesser intensity (minus four per cent) and that hopes are buoyant that the economy in 1986 will at least break even and position itself to resume growth next year.

The expected economic growth rides on socio-economic-political reforms being instituted by the administration of President Corazon C. Aquino, widow of the slain opposition leader, placed in power by the Feb. 22-25, 1986 "people power revolution" which toppled the 20-year regime of former President Ferdinand E. Marcos, NCSO said.

NCSO reported that it is still compiling foreign investment figures for 1985 from the Board of Investments, the government agency monitoring in-flow of foreign capital.

In its review, NCSO said the bulk of foreign investments in 1984 came from American capitalists who contributed a total of P1.7 billion, the amount lower than the P2 billion they invested in 1983.

Size of American investments in the country has earlier been cited by many non-NCSO economic sectors as reflective of the United States government's involvement in Philippine affairs.

Publicly known US government participation in the fateful Feb. 22-25 events is the flying out of the Marcos family to exile in Hawaii aboard American military aircraft.

THE Japanese were a far second to the Americans in amount of investments in 1984. They put in P568.1 million. However, NCSO said the sum represented a high leap from the P56.4 million sunk by the Japanese in 1983.

Third ranking investors were the Dutch who ventured P456.1 million, also a considerable increase over their year-ago investments of P57 million, NCSO noted.

Direction of the total P3.9 billion foreign investment in 1984 as itemized by NCSO: P3.1 billion in manufacturing; P235.2 million in commerce; P219.6 million in services; P25.8 million, agriculture; P36.6 million, construction; P69.5 million, mining; P79.2 million, energy, and P49.7 million, other areas of the economy.

The manufacturing sector being the most preferred investment area by the foreign capitalists indicates, among other things, investors' taking advantage of cheap

labor costs in the country and work talent of Filipino workers, the review indicated.

It further noted that in 1983, the manufacturing area lured P1.8 billion of the foreign investors' capital, followed by services with P758.4 million and mining with P224.8 million.

NCSO added that investments by foreigners in the commercial sector grew by a hefty 836.16 per cent in 1984, construction by 549.55 per cent, and energy related activities by 418.71 per cent accounting for the 31 per cent rise in total investments that year.

Of the top 15 foreign investors in the country in 1984, NCSO said eight were

from Asian countries and seven from the US and European nations.

Asian investors and their respective contributions were Japan P568.1 million; Hongkong, P168.3 million; Thailand, P163.5 million; Malaysia, P154.1 million; Indonesia, P136.3 million; Nauru, P124.3 million; China, P43.2 million, and Singapore, P41 million.

The non-Asian capitalists: Americans, P1.7 billion; the Netherlands, P456.1 million; West Germany, P75 million; Sweden, P39.1 million; Denmark, P38.1 million; Switzerland, P37 million, and Great Britain, P33.9 million.

NCSO said investors from other nations contributed P113 million that year. —
DEPTHnews

/9317

CSO: 4200/1121

PHILIPPINES

MULTINATIONAL BUSINESS SPOKESMAN URGES SUPPORT FOR AQUINO

Manila MANILA BULLETIN in English 6 May 86 p 12

[Text]

The new leadership of the Philippine Association of Multinational Regional Headquarters, Inc. (PAMURI), through its newly-elected chairman, Kenneth C. Tyas, recently urged its members, consisting of 390 foreign corporations from 30 countries, to support the new government of President Corason C. Aquino during the transition period.

He stated that there are few, if any examples, in recent history where a government has had a zero-based start without the benefit of a normal transitional period. These circumstances tend to breed misunder-

standing between ministries which can be detrimental to business as a whole and foreign investment in particular. It is already apparent that key members of the government appreciate the need for a close partnership with the private sector in the restructuring of the economy, he added.

Pamuri sees its responsibility to support the new administration by interesting transnational companies to establish their regional corporate headquarters in the Philippines.

Tyas, regional managing director for Avon Pacific Inc.-S.E.A., stated that from his personal ex-

perience the availability of highly qualified management personnel and staff specialists, including competent finance and marketing executives who speak the English language, is a plus factor not available to the same extent and cost in any other Asian country. This, together with high quality expatriate housing, international schooling, good travel availability, and the fact that Manila stands at the very center of Southeast Asian operations with acceptable communications, contributes to a high score in terms of regional headquarters suitability.

It is interesting to

note that apart from the two current regional centers, namely, Singapore and Hong Kong, competition is now becoming evident from Thailand, Malaysia and Guam for a share of the regional based operations.

Tyas did not deny that it is logical that foreign companies must be able to make a profit or there was no benefit for investment. However, in the case of regional headquarters, their plus benefit is that they are totally supported by external funding, do not make a profit within the country and do not remit dividends to their corporate parent, he pointed out.

/9274
CSO: 4200/1129

PHILIPPINES

AGRICULTURE MINISTER VOWS OPEN MARKET SYSTEM

Manila MANILA BULLETIN in English 3 May 86 p 17

[Text]

Agriculture and Food Minister Ramon Mitra Jr. yesterday vowed an open market environment in agriculture as a means of guaranteeing fair returns to farmers and investors.

Speaking before the monthly meeting of the Makati Business Club, Mitra pointed out that the thrusts of the new agricultural program being formulated by his office was to open up the market, get the government out of it and encourage the private sector to

come in.

He said the new government was committed to a complementary development of both the industrial and agricultural sectors of the economy, with the private sector as the prime mover of that development.

He said the task of government was to provide the "climate" for investments, not to interfere with market forces.

Mitra noted that in the first 60 days of the administration, the government had

disbanded monopolies, abolished iniquitous restrictions, sequestered crony assets for reversion to the people and opened up business to free market forces.

Among the specific moves taken in this regard, he said, were the following:

—The coconut monopoly is being disbanded through the sale of oil mills and the restoration of the freedom to sell copra in the local and world market.

—The sugar monopoly is being disbanded and will be

further rationalized.

—The meat monopoly has been disbanded;

—The cotton industry is being privatized through the sale of Philippine Cotton Corporation to a local private investor group.

—Fertilizer imports are in the process of being liberalized once existing commitments have been utilized.

—Wheat is now freely importable.

—A license is no longer required to import soybean meal.

/9274

CSO: 4200/1129

1 July 1986

PHILIPPINES

MANILA TO REPAY JAKARTA IN KIND FOR RICE IMPORTS

Manila MANILA BULLETIN in English 3 May 86 p 17

[Text]

The Philippines will repay Indonesia 100,000 tons of rice which it imported last year, Agriculture Deputy Minister Carlos Dominguez said.

He told Reuters that rice imports were more than 550,000 tons last year, well above the 400,000 ceiling authorized. Imports now account for the bulk of stocks, he said, but did not say what current stocks are.

Some 200,000 tons of rice were reported as shipped from Indonesia last year, half in September and half in the first

quarter.

"Since we expect a good harvest this year, we will be paying our imports from Indonesia in kind," he said. Officials said they expect unmilled rice output in the season ending June to grow 11 percent from 8.2 million tons the previous crop year.

Dominguez said the rice will probably be shipped in the last quarter of this year.

He said Indonesia, when it agreed to supply rice to the Philippines, agreed to accept payment in cash or kind. (Reuter)

/9274

CSO: 4200/1129

MALAYA PUBLISHES TEXT OF PROCLAMATION NO 9

Quezon City ANG PAHAYAGANG MALAYA in English 25 Apr 86 p 2

[Text]

(Note: We are reprinting below the text of Proclamation No. 9 signed Wednesday by President Corason Aquino and creating the "Law Governing the Constitutional Commission of 1986" which will write the country's new Constitution. How the commission will operate, and how its drafted Charter will be ratified are explained in this proclamation.)

WHEREAS, the new Government was established by the direct action and will of the sovereign Filipino people;

WHEREAS, the "FREEDOM CONSTITUTION" was promulgated under Proclamation No. 3 in accordance with the mandate of the people to work toward the establishment of a just, free and democratic constitutional order within the shortest time possible;

WHEREAS, a Constitutional Commission tasked with proposing a new charter "truly reflective of the ideals and aspirations of the Filipino people" has been created under Article V of said Proclamation No. 3;

WHEREAS, it is now necessary to organize the Constitutional Commission to provide for the details of its operation and establish the procedure for the ratification or rejection of the proposed new Constitution;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Republic of the Philippines, by the powers vested in me by the sovereign mandate of the Filipino people and in accordance with the "FREEDOM CONSTITUTION," do hereby promulgate the following "Law Governing the Constitutional Commission of 1986":

THE LAW GOVERNING THE CONSTITUTIONAL COMMISSION OF 1986

SECTION 1. Title. — This law shall be known and cited as the "Law Governing the Constitutional Commission of 1986".

SEC. 2. Composition. — (1) The Constitutional Commission shall be composed of not more than fifty (50) national, regional, and sectoral representatives who shall be appointed by the President.

(2) The national representatives shall, in addition to the qualifications hereinafter provided, be men or women of national standing, experienced in government or with recognized competence in their respective fields.

(3) The regional representatives who have held elective offices are to be apportioned among the thirteen (13) regions or nearly as may be according to the number of their inhabitants on the basis of the latest census.

(4) Sectoral representatives shall be chosen among others, from farmers, fishermen, workers, students, professionals, business, military, academic, ethnic, and other similar groups.

(5) The number of national, regional, and sectoral representatives shall be determined by the President, provided, however, that each of the thirteen (13) regions shall have at least a Member.

Sec. 3. Nominations. — (1) Nominations of Members of the Commission may be made by political parties or aggregations of parties, civic, religious, ethnic or other sectoral groups, or by individual citizens.

(2) All nominations shall be filed with the Secretariat Office of the President, not later than May 5, 1986; provided, however, that in meritorious cases, the President may consider late nominations.

(3) Nominations must be in writing and accompanied by the following supporting documents, namely: (a) a duly verified curriculum vitae of the nominee; (b) an indication of whether the nomination is for a national, regional or sectoral representative; (c) an endorsement by the nominating group or individual; (d) a certification by the nominee that he/she will accept appointment to the Commission and resign from any government office he may be holding upon the issuance of such appointment; and (e) other materials that may help the appointing authority.

(4) The names of the nominees shall be published in newspapers of general circulation for three consecutive days not later than May 10, 1986. Nothing in this provision will prevent the publication of the names of nominees as their nominations are received.

(5) Reactions to and comments on the nominations, including verified oppositions therein, may be expressed in letters and telegrams addressed to the President, through the Secretariat Office of the President, not later than May 20, 1986.

Sec. 4. Qualifications. — No person shall be appointed Member of the Commission unless he is a natural born citizen of the Philippines, a qualified voter, or recognized probity, independence, nationalism, and patriotism.

Sec. 5. Disqualifications. — The following are disqualified from being Members of the Commission:

(1) Public officials unless they resign their respective offices upon their acceptance of the appointment of the Commission; provided that failure to resign shall automatically nullify the appointment;

(7) Persons convicted of a crime involving moral turpitude, unless granted absolute pardon of amnesty;

The Commission shall be the sole judge of the qualifications of its Members.

Sec. 6. Oath or Affirmation. — Members of the Commission shall qualify and assume office by taking the following oath or affirmation.

"I, (name), do solemnly swear (or affirm) that I shall faithfully and conscientiously fulfill my duties as Member of the Constitutional Commission of 1986 to hasten the return of normal constitutional government by drafting a fundamental law truly reflective of the ideals and aspirations of the Filipino people, endeavor to complete the work of the said Commission within the period provided by law, not to run for any office in the first local and first national elections to be held after the ratification of the Constitution that the Commission will propose, preserve and defend the FREEDOM CONSTITUTION of the Republic of the Philippines. So help me God." (In case of affirmation, the last sentence may be omitted.)

Sec. 8. Future Disqualification. — Any person appointed and qualified as Member of the Commission shall not be eligible to run for office in the first local and first national elections to be held after the ratification of the new Constitution; or appointed to any government office or position while the Commission is in session and during the period of one (1) year after its final adjournment.

Sec. 9. Organization and Status of the Commission. —

(1) The Minister of General Services shall take charge of all arrangements for the convening of the Commission.

(2) The opening session of the Commission shall be held in the Session Hall of the former Batasang Pambansa on June, 1986, at 10 o'clock in the morning.

(3) The Vice-President shall preside at its opening session until a presiding officer is elected by the Commission. The election of a Chairman and presiding officer from among its Members shall be the first order of business. The Commission shall be deemed organized upon the election and qualification of a Chairman and presiding officer.

(4) A majority of all its Members shall constitute a quorum to do business, but a smaller number may meet, adjourn from day to day, and compel the attendance of absent members in such manner and under such penalties as the Commission may provide.

(5) The Commission may determine the rules of its proceedings, punish its Members for disorderly behavior, and with the concurrence of two-thirds of all its Members, expel a Member.

(6) The plenary sessions of the Commission shall be public and duly recorded. It may hold its session in any place in the Philippines.

(7) The Commission shall conduct public hearings to ensure that the Filipino people will have adequate participation in the formulation of a new Constitution.

(8) The Batasang Pambansa building and premises are hereby made available for use of the Commission. All government entities, agencies and instrumentalities shall place at the disposal of the

Commission such personnel, premises, and furniture thereof as can, in their judgement, be spared without detriment to the public service, without cost, refund or additional pay.

Sec. 10. Filling of Vacancies. — Whenever a vacancy occurs in the Commission, the President may, upon due certification by the Chairman of the Commission, fill the vacancy by appointment after consultation with the group or sector represented by the Member who caused such vacancy.

Sec. 11. Parliamentary Immunities. — (1) A Member of the Commission shall, in all offenses punishable by not more than six (6) years imprisonment, be privileged from arrest during attendants of its session, and in going to and returning from the same.

(2) A Member of the Commission shall not be questioned nor held liable in any other place for any speech or debate in the Commission, in any committee thereof, or in any public hearing conducted by the Commission or any committee thereof whenever held.

(3) The penalties imposed in Articles 143, 144 and 145 of the Revised Penal Code, as amended, for offenses defined therein shall apply if such offenses are committed against the Commission, or its committees or subcommittees, or the Members thereof.

Sec. 12. Compensation. — (1) Each Member shall receive a per diem of Five Hundred Pesos (P500.00) for every day of attendance in the Commission or any of its committees and to necessary traveling expenses to and from his residence when attending the sessions of the Commission or of its committees.

The Commission may determine the amount for the office and staff expenses of its Members.

Sec. 13. Completion. — The Commission shall endeavor to complete its work on or before Sept. 2, 1986 and, thereafter, present to the President the proposed new Constitution.

Sec. 14. Ratification. — The President shall fix the date of the plebiscite for the ratification or rejection of the proposed Constitution which shall not be later than sixty (60) days following its submission to the President.

It shall become valid and effective upon ratification by a majority of the votes cast in such plebiscite.

Sec. 15. The sum of Twenty Million Pesos (P20,000,000.00) is hereby appropriated for the operational expenses of the Commission.

The Commission shall not be subject to the rules and regulations of the Ministry of the Budget on allocations and release of funds, however, it shall account for and report on its expenses to the Commission on Audit at the termination of its work.

Sec. 16. This proclamation shall take effect immediately.

Done in the City of Manila, this 23rd day of April in the year of Our Lord, Nineteen Hundred and Eighty-Six.

CORAZON C. AQUINO
President

By the President
JOKER P. ARIOYO
Executive Secretary

PHILIPPINES

COMMISSION FORMED TO PROBE AQUINO-GALMAN TRIAL

HK090555 Manila MANILA BULLETIN in English 7 Jun 86 pp 1, 14

[Article by R. G. Panaligan]

[Text] The Supreme Court created yesterday a three-man commission to receive and evaluate evidence on charges of collusion and suppression of evidence in the trial of the Aquino-Galman murder case.

Named members of the commission were retired Justices Conrado M. Vasquez, Milagros German, and Eduardo Caguioa. They were given 30 days to receive evidence and another 15 days to submit their finds and recommendations to the Supreme Court.

The creation of the commission was arrived at during the deliberation of the second motion seeking a reconsideration of the dismissal of the mis-trial petition filed by the family of the late Rolando Galman and 29 other prominent citizens.

The investigation of the alleged collusion and suppression of evidence in the trial of the two murder cases was recommended by Solicitor General Sedfrey Ordonez in a comment he filed in behalf of the government.

Ordonez said that "if the charges of collusion and suppression of evidence be established, then a re-opening of the double murder case would probably be proper to avoid a miscarriage of justice."

"Failure to support those charges would entitle the 26 accused to the constitutional prohibition on double jeopardy," Ordonez said.

/6662

CSO: 4200/1127

PHILIPPINES

DEADLINES SET FOR MULTINATIONAL FIRMS TO PAY TAXES

Davao City MINDANAO TIMES in English 17-24 May 86 pp 1, 6

[Text]

Ten multi-national corporations doing business in Davao City may finally pay the taxes being collected by the city government.

Atty. Valentin Corcino, chief of the Business Bureau, estimated that the foreign companies' back taxes, from 1975 to 1986, may amount to P5 million.

Corcino said that the foreign-owned corporations stopped taking out the required business licenses and paying the taxes due for incomes earned here, except Procter and Gamble, All/Philippines and CFC Corporation which stopped paying taxes to the city in 1983. The seven other corporations did not pay their obligation since 1975.

Last week, Gillette (Philippines) and Kimberly Clark applied for business licenses and tendered pay-

ments for taxes due from 1984 to 1986 in the amount of P104,000 and P113,625, respectively.

The demand for payment of taxes for incomes earned here and for business licenses/permits fees was sent to the multi-national corporations since two years ago.

Negotiations were initiated by the past city administration and written demands were sent to each company before the city administration was replaced.

About two weeks ago, the Bureau of Internal Revenue in Manila ruled that multi-national corporations doing business in Manila must pay the taxes due on incomes earned in Manila.

At about the same time, Davao City demanded payment from the foreign-owned companies and gave them a

deadline.

Demands for payment were sent to the following companies:

Colgate Palmolive, Richardson (Vicks), Kraft Foods, Nabisco Brands, Winthrop Stearns, Gillette Philippines, Kimberly Clark Philippines, Procter and Gamble, All/Philippines, and CFC Corporation.

The companies lawyers/representatives told the past city administration that their companies had no offices in Davao City and whatever business was conducted here was done by forwarders agents.

Investigations conducted two years ago and last year disclosed that the alleged forwarders/agents were utilizing the companies' personnel and facilities, including receipts.

/9317

CSO: 4200/1121

PHILIPPINES

COMMENTARY CRITICIZES U.S. INFLUENCE, FUNDING

HK060703 Quezon City Radyo ng Bayan in Tagalog 0430 GMT 6 Jun 86

[Commentary by (Ric Valmonte)--passages within slantlines broadcast in English]

[Text] Friends and countrymen: Let us consider all the problems facing us today. They tend to overwhelm us by their magnitude. And yet what are we doing for ourselves in the face of such calamities? We look at other nations, seeking our salvation from foreigners, particularly from the Americans. They say we are envious of the Americans because everyone in America is prosperous. We are so envious of life in America that many of us go there to earn a living because we can make more there than we can here in our own country. Why is this so? Why is it Americans are so much more well off than ourselves?

Let me tell you why. It is because they steal from us, they exploit us, they use our land and raw materials for their own purposes, and they use what belongs to us for their own comfort and convenience. We supply them with whatever they want, and yet what do they give us in return?

We Filipinos continue to suffer because they abuse and oppress us, and we seem to be content to be told by them that our problems will be solved if we work hard, if we listen to their advice, and if we do what they tell us to do. The Americans say they will extend all manner of assistance because we need help badly. They say all these honeyed words but what have they done for us so far?

Why are our problems so massive? Because we allow our land and natural resources and raw materials to be exploited and exported for use by rich countries. We do not know how to help ourselves first, so this is why we find ourselves in such dire straits. We allow aliens to rob us and exploit us and use us for their own purposes. We allow the Americans to set up their multinational corporations here so they can reap profits and take advantage of our cheap labor. We let them walk all over us.

We know we are short of capital; we need capital to set up industries. We realize all this but still we twist our priorities. We must learn to make do with small capital and we must engage in our own self-help projects and such things. We should learn to do things for ourselves.

Foreigners who invest in this country do so by /having strings attached/ to all their investments. At first they would not grant us loans. Then when they agreed to grant the loans, they insisted on their own terms. We were told to do this and that. Why must we not ask for what are called /structural loans/? This is because if we do so, the financiers can dictate to us. They can tell us what we must buy; they can give instructions on how we should spend the money. This is what the World Bank does--they give us money to help us finance projects but they tell us to first do this and that; we must build roads here, we must build buildings there.

Why is it these people tell us what to do with the money? Why don't we just go to the socialist countries, or even to the communist countries? Why should we be afraid to borrow money from these countries?--Are we so afraid we will also turn socialist or communist? We have been conditioned for so long by the Americans that we have this ingrained colonial mentality, which is why our culture is in/such a state./ This is the result and consequence of destructive cultural ties, because we have allowed ourselves to be confounded by the Americans. They tell us we must not deal with the socialist countries because they consider us dumb and naive. /They are insulting our intelligence as a Filipino people./

This is a matter of survival. If Mrs Cory Aquino is listening in, I hope she will stop borrowing and borrowing money from the foreigners. As it is, we have been getting promises and promises but nothing has come of it. So let us look elsewhere for funds, to other friendly countries who are prepared to help us.

Those who are now helping us are only looking out for their own self interests. We should forget about them. We Filipinos should look after our own interests first and foremost. This should be our guideline and our policy. Whatever happens, whichever solution we seek for our problems, our country should be foremost on our minds. We should always think Filipino first and last.

/6662

CSO: 4211/57

1 July 1986

PHILIPPINES

RADYO NG BAYAN COMMENTATOR DEPLORES COLONIAL MENTALITY

HK041145 Quezon City Radyo ng Bayan in Tagalog 0945 GMT 4 Jun 86

[Commentary by Abel Cruz]

[Text] My friends, why is it we Filipinos allow the Americans to run our lives? Why do we allow all these multinational companies to set up monopolies in our country? Why do we think that everything the Americans do is worthy of notice? Have they not done enough damage to our country? Did they not prop up the former dictator during all those years when he was oppressing his own people? When are we going to realize that we must stand on our own feet and not look up to foreigners and not depend on others?

Why are Filipinos so colonial minded? Why is it we look on all things American as superior? Why do we patronize American goods when many of our own products are better than imported ones? Why do our people like MacDonalds so much when our own Tropical Hut is just as good? Why do we not patronize our own products? The trouble with many of our people is that when they see something on television which is imported, they right away conclude that product is superior so they run out to buy it. If we would only look around us, we will see that our own products are as good--if not better--than the imported ones. If we buy our own products, we will be helping our economy. It is that simple.

It is a difficult task but we must free the Filipinos' thinking, we must do away with the colonial mentality. We can do this by means of our media, in our schools, and at home. If we do not do this, our February revolution will have been meaningless. As a nation we must be Filipino, think Filipino, and act Filipino.

/6662

CSO: 4211/57

1 July 1986

PHILIPPINES

SWISS OPERATIONS OF CUSTOMS CRITICIZED

HK091537 Manila THE MANILA EVENING POST in English 7 Jun 86 pp 1, 3

[Excerpt] A big drop in customs revenue collection in the coming months is predicted by businessmen, customs brokers, and customs officials because of the alleged intervention of the controversial Swiss-based Societe Generale de Surveillance (SGS) in customs operations.

In spite of an order to the court restraining the SGS from participating in customs operations, the Swiss firm has been intervening in the processing of Philippine exports, it is said.

Customs brokers at the Manila South Harbor and the Manila International Container Port (MICP) said many of their clients are reluctant to resume their import business because of the SGS presence at the harbor.

The brokers and customs officials said no guidelines have been issued allowing the SGS to start working at the Customs Bureau, pending resolutions of issues involved in the disputed SGS contract.

During the past few days, only a few import entries covering importations have been processed by customs personnel reportedly because of the Swiss firm's intervention in customs work.

Customs officials said the SGS controversy has delayed the arrival of many big shipments from Hong Kong, Taiwan, Japan, South Korea, and Singapore.

The SGS representatives in these ports reportedly require shippers to submit their exports for processing despite an Intermediate Appellate Court (IAC) ruling holding in abeyance implementation of the SGS contract until a decision on it shall have been handed down resolving the issues raised in the deal.

Waterfront observers said total customs collections of P4.1 million for the first five months of 1986 could have been much higher if it were not for the SGS case.

The SGS has started operations on the pre-inspection of Philippine imports on authority granted by Finance Minister Jaime Ongpin, whose brother, Roberto, trade and industry minister in the Marcos Cabinet, was reportedly behind the SGS contract.

Sources said it was the finance minister's brother who encouraged the signing of the SGS contract by President Marcos last Feb. 4.

Marcos reportedly issued a letter of instructions (LOI) in December, 1985 on the implementation of the SGS contract.

However, Marcos, after finding the SGS contract favorable to the Swiss firm, changed his mind and deferred the implementation of the contract to change some provisions.

However, through the alleged manipulation of some Marcos technocrats, it was said, another LOI was issued by Marcos approving the contract despite its onerous provisions. The contract is valid for 18 months.

In recent talks with newsmen, Customs Commissioner Norberto Tanada said Marcos signed the contract when he was facing many problems.

Ongpin, in a memorandum to President Corazon Aquino, admitted that he started implementing the supervision scheme on imports from Japan, South Korea, Hong Kong, Taiwan, Malaysia, Singapore, Indonesia, Thailand and Brunei.

Under the SGS contract, the Philippine Government will pay the SGS P500 million a year as service fee, which customs officials and businessmen consider a huge amount and runs counter to claims of the new government that it is broke and has to dismiss some government employees due to lack of funds.

/6662

CSO: 4200/1127

PHILIPPINES

COMMENTARY URGES CRITICS COOPERATE WITH AQUINO

Quezon City VERITAS in English 11 May 86 p 5

[Commentary by Rafael Alunan III: "Brasstacks"]

[Text]

BARELY two months on the job, President Corazon C. Aquino is now besieged by criticisms that demand quick results and the profound exercise of leadership. Yet the criticisms do not quite match President Aquino's tenacity and prudence on controversial issues. Moreover, the critics forget that when she assumed the mantle of leadership, there was no formal turnover nor the luxury of an orderly transition. There was only the mind-jarring inheritance of a social, economic, and political landscape in shambles.

Common sense compels the need for patience and understanding towards a new administration trying to get its act together. Under normal conditions, a 60 day transition period and a 100-day honeymoon with the press is accorded the winning candidate. The Aquino government, given highly abnormal circumstances, deserves, at the very least, the same treatment. This is not to say that constructive criticism is unwelcome. The trouble is that the timing and viciousness of oft-repeated criticisms are becoming highly suspect. One is tempted to muse whether this could be part of a shrewd mind-conditioning exercise to discredit and ultimately neutralize the President, dividing and conquering along the way.

Whether they like it or not, UNIDO and PDP-LABAN moguls and Cabinet officials are contributing to this unsettling situation. Their sniping over parochial interests and poorly coordinated actions are undermi-

ning the President's efforts at consolidation. Their inability to close ranks threaten to alienate or even fragment the populace. This is unacceptable.

What President Aquino needs at this crucial juncture is cooperation from all quarters. In the wake of political freedom comes the tremendous opportunity to shape an environment that will assure future generations of social stability, economic prosperity, and political maturity. This requires that national reconciliation comes first in the political agenda to anchor the peace process. And the example must come from the Cabinet. They must take a firm

hold of themselves and get down to brass-tacks. They owe it to the people to maintain the same standard of selflessness that carried us through the revolution, by addressing the people's concerns ahead of other considerations. For them to succumb to the temptations of power would be unforgivable. To ignore the people's plea to improve their welfare would be treacherous.

To refresh their memories, we remain seated atop a rumbling social volcano. Seventy-five per cent of our people - or about 40 million - live along or below the threshold of poverty. Millions are landless, unemployed; while most workers are underpaid. By and large, they sorely lack the purchasing power to acquire decent nutrition, housing, education, and health care. We inherited, too, a failed judicial system; a bloated government bureaucracy; and a military establishment, all of them notorious for public disservice. What we have,

therefore, is a despicable quality of life unfit for the majority of our countrymen, unfit for any self-respecting human.

How are we to cure this malady when we have an economy incapable of paying off our foreign debts? Our land and aquatic resources, and financial system, are largely exploited by foreign interests. The agricultural and manufacturing sectors remain backward, seriously handicapped by the lack of integrated industrial complementation programs. We hardly have a science and technology base to speak of, except the obsolete ones we import. Venture capital is unavailable while other economic infrastructures such as distribution, freight, and storage are dismally deficient. On top of these, the cost of doing business is smothering. Energy costs are at least double that of our regional neighbors; interest rates are 200-300 per cent more than theirs; and the remaining profit margins, if

any, are eaten up by oppressive taxes. Needless to say the multiplier effects have been deadly.

It is no surprise then why we have become less and less competitive abroad and, more tragically, in our own turf against cheaper and better produced imports.

There is undoubtedly much to be done. We have inherited extra-ordinary problems requiring extraordinary solutions. With President Aquino, the Cabinet must exercise statesmanship and project a national vision that will inspire the people, that will fire up their imagination to unleash their creativity and productive power. The divisive hickerings and unprofessionalism must stop for the nation's sake. We must avoid losing another opportunity to establish a meaningful future. We should not tolerate another failure because we simply cannot afford to. Otherwise, the next battle of the revolution promises to be no picnic.

/9317

CSO: 4200/1121

PHILIPPINES

WEEKLY DEFENDS, PRAISES AQUINO CABINET

Quezon City VERITAS in English 11 May 86 p 4

[Editor's Note: "Getting Their Share of Flak"]

[Text]

DURING his TV dialogue with President Aquino last Wednesday, former MP Orly Mercado made a significant observation: while some of her cabinet members were receiving a lot of flak from the press and from the public, she herself has been largely spared.

President Aquino, in reply, said that this was true and that she was grateful for it. And she commiserated with the wives and children of the cabinet members who were getting the brunt of the criticism.

There is absolutely no question that the two men who seem to be the principal targets are Finance Minister Jaime Ongpin and Central Bank Governor Jose B. Fernandez. Local Governments Minister Nene Pimentel is a very close second, and Labor Minister Bobbit Sanchez is not far behind.

The rest receive their share of brickbats, but on a decidedly less vitriolic way. These people include Good Government Commissioner Jovy Salonga, Trade Minister Joe Concepcion, Human Rights Commissioner Pepe Diokno, Information Minister Teddy Boy Locsin and Executive Secretary Joker Arroyo. Even Presidential Spokesman Rene Saguisag, who by and large has done excellently in a position for which he, by his own admission, has no particular liking or aptitude, has not been spared.

There is no particular rhyme or reason discernible behind the public's critical stance. Certainly, all the cabinet members have been working very hard. In some of the cases, notably that of Nene Pimentel, the issue is performance. Rightly or wrongly, the people perceive that he has botched up the question of OICs. Quite a few of his appointments have been criticized. And, even though he has striven to rectify some of the more glaring errors, his image remains tarnished.

In the case of Jobo Fernandez, his performance is likewise questioned. But, strangely enough, it is not his performance in the Aquino government that is under fire. It is his actions in the past dispensation — the Banco Filipino case and the closure of a passel of other banks — which a substantial number of people (most of them, presumably, employees of these banks) take him to task for.

Salonga is accused of shooting from the hip and asking questions later. His entire policy of sequestration is drawing fire from all quarters. Diokno's uncompromising stand on human rights abuses, particularly those committed by the military establishment, has not endeared him to the soldiers, particularly those who are identified with the reform movement.

Arroyo is denounced as a communist, which he isn't, and Llocsin is hit for supposedly not having enough rapport with the working press. And Saguisag? He has come under fire because, on certain occasions, he supposedly lost his cool under the relentless questioning of newsmen.

The appointments of all the above people, with the possible exception of that of Jobo Fernandez and that of Joe Concepcion were well received by the general public. Concepcion, it will be remembered, was excoriated, even by some of the people who served with him in the Namfrel, for putting the lie on Namfrel's claim of neutrality by accepting the trade ministry with indecent haste.

But, wonder of wonders, all that criticism seems to have been forgotten. And his performance in the sensitive post is widely hailed.

Ongpin's case is the exact opposite of Concepcion's. When his appointment as finance minister was announced, he was acclaimed as the logical man for the post, considering his vast financial expertise and his closeness to Cory Aquino.

But that popular impression was soon dissipated. And all because, in a television interview, he made the statement that his acceptance of the position was premised on the re-appointment of Fernandez as CB governor. For some reason, people thought the statement was arrogant. And the *animus* he generated by such a statement did not help him any when, in a subsequent press conference, he revealed the Kokoy connection in Benguet Corporation, the conglomerate he had headed before joining the cabinet. The attacks continue despite the fact that the President, in private and public statements, has expressed full satisfaction about his performance.

Bobbit Sanchez, quite possibly, is still biting his tongue for having spoken about profit-sharing soon after he assumed office. Despite the clarifications he subsequently issued, the wrong impression he created persisted. And Bobbit got so gun-shy that, on Labor Day at the Luneta Park, he refrained from delivering a speech, confining himself to introducing the President.

Minister Tito Guingona of the Commission on Audit and Budget Minister Alberto Romulo have escaped criticism. Guingona, in fact, has been getting some heady applause for his work in unearthing so many anomalies in the past administration.

But perhaps the biggest public kudos have been reserved for Vice President and Foreign Minister Salvador Laurel. All through the past ten weeks that he has been in office, he has been conducting himself in a very statesmanlike manner. The restraint he demonstrated -- and continues to demonstrate -- in what must be his deep-seated disagreements with Nene Pimentel on controversial OIC appointments has been most laudable. And the way he handled himself in Bali during his conversations with President Reagan and State Secretary George Shultz did us all proud.

Never once has his famed Batangueno temper surfaced. He has been a model of prudence, and he is constantly earning points for his exemplary behavior.

What does all the foregoing prove? Just this: there is no accounting for the public mood or for newsmen's attitudes towards specific public officials. Sometimes, one television interview can prove one's undoing.

President Aquino, for her part, continues to make friends and influence people with her television dialogues. Which is all to the good, for she needs all the help she can get.

/9317

CSO: 4200/1121

1 July 1986

PHILIPPINES

EDITORIAL SUPPORTS OFFICIALS' 'UNCOMPROMISING STAND'

Quezon City ANG PAHAYAGANG MALAYA in English 13 May 86 p 4

[Editorial: "Quisumbing and Tanada"]

[Text]

One is both alarmed and pleased over two separate reports that two personalities in President Aquino's coalition government have threatened to resign if their uncompromising stand on vital issues is jeopardized by larger influences.

We are referring to Education Minister Lourdes Quisumbing and Customs Commissioner Wigberto Tanada. One told a cheering crowd of teachers last week that she is ready to put her job on the line if her program for a bigger pay package for tutors does not get the government's nod. The other is reportedly ready to quit over pressures from Finance Minister Jaime Ongpin on the controversial contract with the Swiss firm Societe General de Surveillance.

Yesterday's *Midday* quoted Customs sources as saying the young and uncompromising human rights lawyer was prepared to resign rather than implement the controversial agreement with the SGS, which he "considers patently disadvantageous to the Philippine government."

From all indications, the young Tanada is not just throwing a tantrum over not being able to have his way with Mr. Ongpin. He does have sensible and logical protests against the P500-million a year contract.

Under the contract, the Swiss firm would monitor the value and volume of Philippine imports from 9 countries to determine the correct Customs duties and other taxes to be levied on the goods. Customs officials said the main goal of the contract was to check smuggling, but Tanada apparently believes getting such a disadvantageous contract without a categorical guarantee that smuggling would be stopped altogether is not worth it. And he has stuck to his guns not to implement the contract by May 1, as Mr. Ongpin wanted.

In fact, Tanada had been directed to sign the letter of credit involving P34 million as the first monthly advance payment to SGS, but he refused.

We don't know how these two threats would eventually be resolved. But the

way we size up the personalities in the Aquino Cabinet, especially Quisumbing and Tanada, there is no turning back from such a threat, especially if it involves principle.

One is alarmed over the prospect of the government losing two good workers, but at the same time we are pleased that they are persons of conviction. We hope they are not like the Marcos lackeys who whined and whimpered about resigning when they were scolded by the great dictator, but eagerly resumed licking his boots when they were given the slightest hope that he would not call their bluff.

Meantime, we hope Mrs. Aquino would understand well the point these two people are trying to make and act accordingly.

/9317

CSO: 4200/1121

PHILIPPINES

BUSINESS COLUMNIST HITS AQUINO GOVERNMENT

Quezon City ANG PAHAYAGANG MALAYA in English 22 Apr 86 p 7

[Article by Jake Macasaet in the "Business Views" column: "Business Is Not Moving"]

[Text]

There are no visible signs that the economy is on the road to recovery. On the contrary, there seems to be a general feeling of mild disappointment over the way the Aquino government is conducting its affairs in relation to business.

The obviously pro-labor pronouncements of Labor Minister Augusto Sanchez is worsened by the advocacy of repudiating some of our foreign debts. NEDA Director General Solita Monsod, in the minds of some businessmen, should be the last to spouse a repudiation. Sanchez and Monsod are not helping attract foreign investments.

The Aquino government has been in power 45 days now but so far, there is no blue-print yet for economic recovery. Business wants some directions defined so more meaningful planning could be made. But there are no directions that anyone willing to help can follow.

On the other hand, the Aquino government seems to be tolerating the abuse of "people power". Otherwise, squatters will never

have the courage to invade private subdivisions; so-called Marcos loyalists will not have the gull to create the troubles they are creating now, considering that this is supposed to be a revolutionary government.

The business sector is not too happy either over the fact that most of the ministers are running their offices like they are their own kingdoms. Some of them go as far as making minor appointments which used to be exclusively a function of the President. In other words, business is not happy that the President seems to be absent.

There is too much preoccupation - and too much time is therefore wasted - running after the hidden wealth of Marcos and those who worked for him. In the past 45 days, the newspapers have headlined nothing but stories on how Marcos plundered the economy. That would have been all right if the economic planners of President Aquino had formulated a plan for recovery.

It is a pity that there is no such plan. There are enough indications that, properly guided, business can start rolling up its sleeves and

face the task for building the nation. For example, the foreign exchange rate has stabilized to a more manageable level. Interest rates on loans continue to come down. Prices of essential commodities have remained steady. These are conditions that hardly existed before. But they should be complemented by an economic blue print that sets the development goals.

The letters of credit opened from the time Corazon Aquino assumed the presidency 45 days ago are far bigger than the value opened from January to May last year. Another good sign. However, we see all around us too many imported goods that do not help the economy. There is too much canned goods and expensive ready-to-wear materials. Again, there are no policies in this area.

The export sector is almost dismal. Metals, coconut and sugar will remain in the doldrums for a while longer. Manufactured exports are negligible, except garments. These areas of economic activity also need guidance which should be clearly defined in an economic blue-print.

/9274

CSO: 4200/1129

PHILIPPINES

MALAYA COLUMN CRITICIZES AQUINO PRESS FREEDOM REMARK

HK091209 Quezon City ANG PAHAYAGANG MALAYA in English 3 Jun 86 p 4

[Column by Luis R. Mauricio: "Where Lies the Blame"]

[Text] The visage of the real Corazon Cojuangco-Aquino, intellectual scion of landed gentry whose benighted ideas properly belong to the past century, emerged the other day from the welter of materials that had tended to build the image of her as an entirely different person--a forward-looking, liberal-minded, democracy-loving president.

In extemporaneous remarks before the Catholic Women's League [CWL], she revealed her true self--she bewailed the existence of a free press in the Philippines today.

"Perhaps it was my mistake that I restored freedom of the press," Mrs Aquino was quoted by the SUNDAY TIMES. The TRIBUNE reported her as having said that "if she and her Cabinet are now being attacked by media, it is her fault because she gave them press freedom."

Because of the freedom the media enjoy, she reportedly appealed to them to write about not only the bad but also "the good and the beautiful"--phrases reminiscent of (but which Mrs Aquino now shares with) Imelda Marcos.

Right from the start, let us get this straight: The media practitioners do not owe their freedom to Mrs Aquino nor to anyone in her government. It is not given to anyone--be she president or empress--to grant or "to restore" freedom of the press.

The people fought for this freedom which was taken from us by Marcos and we did not need Mrs Aquino or her cohorts to restore this freedom to us.

She can, like Marcos, steal it from us, if she wants to--perhaps she thinks that, by virtue of her powers under a revolutionary government, she can do so--but she can rest assured that we shall fight, as we fought Marcos, to get it back.

The sooner Mrs Aquino realizes this, the better for all concerned. Cuentas claras conservan la amistad [truth preserves goodwill].

Adverse reports in the media, according to her, have resulted in the government's inability to attract foreign investors. This, to her, is quote unfortunate.

What is truly unfortunate--and the President does not seem to realize it--is that, by her latest statement, she has alienated a lot of her admirers.

Despite all the platitudes she had been mouthing in the past, about her adherence to free and democratic society (which that one under the Marcos regime was not), she has now come out with an implied confession that she lacks absolute faith and confidence in the freedom of the press.

Viewed in the light of her previous statement that, if there was anything she hated most, it was unsolicited advice, the President's remarks before the CWL present the picture of a person intolerant of things that becloud her rosy vistas, even if these bespeak reality.

Come to think of it now, perhaps Information Minister Locsin was not the person to blame for banning Albert Garcia, the BULLETIN-TEMPO photographer, from Malacanang for shooting that photo in Davao which was unflattering to the President. Maybe, what prompted Locsin to issue that order was his being privy to the President's partiality toward "the good and the beautiful"--and this is what goaded him into declaring Garcia's photo as being "in poor taste."

Mrs Aquino must have been miffed by the realization that, as her 100th day in office draws near, her government has not shown any sign of moving to meet even halfway the expectations of her most ardent fans; hence, she must have a whipping-boy and what better and more readily available whipping-boy could there be than the media.

It was an irrational thing to do. Had it not been for the determination of media men (with but a few unfortunate exceptions) to assert freedom of the press during the Marcos years, even at the risk of life or limb, Mrs Aquino would not be where she is today.

In the first place, her concern over her government's failure to attract foreign investment is out of place. She must realize that there is timidity not only of foreign investors but also--and this is more important--of local investors.

And if blame must be laid for this sad state of affairs, it must be laid right at the doors of the President's Arlegui [meaning unknown] office.

While the government has been making a great to-do about the Cabinet meetings every Wednesday, Mrs Aquino's ministers do not speak with one voice.

Her Cabinet speaks with many voices, each one as shrill, as hazy and incoherent, and as infused with monumental arrogance and braggadocio as the others.

This has worsened the glaring lack of a clear, definite, and honest-to-goodness economic program.

Entrepreneurs who suffered during the Marcos era were eager, after Marcos had fled, to pick up the pieces and rebuild enterprises which martial law had destroyed. But they see no lodestar in the Aquino government which can serve to guide them.

They want to start afresh. But they are assailed by doubts in what plans the Aquino government has. No self-respecting investor can make any long-range projection based on shifting policies of a government which plays things by ear.

Although there should be nothing to fear about the government being revolutionary--if only the new mandarins had devoted their waking hours to demonstrating to the people that they mean to serve, instead of haughtily strutting around like cocks-of-the-walk--the people, local and foreign entrepreneurs specially, are entertaining second thoughts.

And the situation has not been helped any by the imperious swagger of the commission on good government which, unable to restrain the temptation to exhibit its unprecedented powers, goes around bullying every enterprise with its innumerable, hungry, and uncouth task forces and striking fear into the hearts of every prospective investor.

Two days from now, Mrs Aquino will have reached a significant milestone--her first 100 days--in office.

If she is fed up with the absence of salient movement forward in her government, she must look to the men she had chosen to help her run it, gather them all together, lay down the law on them, tell them where she plans to lead the country and people, and then whip them all into line.

She should do that, instead of using the media as a convenient whipping-boy. After all, a free media only reflects the reality.

/6662

CSO: 4200/1127

PHILIPPINES

KB TACLOBAN RALLY CALLS FOR MARCOS RETURN

Quezon City ANG PAHAYAGANG MALAYA in English 7 May 86 p 16

[Article by Ted Marcos]

[Text]

TACLOBAN CITY - Die-hard Kabataang Barangay (KB) members and officers held a "loyalist" rally May 2 here ostensibly to move for the retention of the KB as a youth arm of the government, yet ended up calling for the return to the country and to power of former President Ferdinand E. Marcos.

The sparse group of demonstrators was a far-cry from the well-funded and consequently well-attended KB rallies held during the Marcos and Romualdezes' reign of power.

The rallyists were joined by employees of the Office of Media Affairs here who were later seen distributing leaflets supporting the KB rally.

Die-hard Kabataang Barangay (KB) mem-

bers and officers held a "loyalist" rally May 2 in Tacloban City ostensibly to move for the retention of the KB as a youth arm of the government. The rally ended up later in a feeble cry to bring back Pres. Marcos to the country and hopefully to power.

However, the KB "loyalists" rally have been considered by political observers as "the last hurrah" of Eduard Chua, KB regional chairman for region VIII, and erstwhile appointed sectoral assemblyman representing the region's youth sector.

Chua disclosed that he met personally President Ferdinand Marcos and Leyte ex-Governor Benjamin "Kokoy" Romualdez in Hawaii on his trip

there last month. Chua admitted the possibility that President Marcos and Kokoy Romualdez will be coming back to the country.

He said that Marcos told him while in Hawaii that he will return to the Philippines to face all charges prepared against him.

Though Chua later said that the KB rally was not really for any political partisan purpose but only to promote the interests of the KB and the youth sector they are representing.

Chua turned back a bit on his expressed hopes for the return to power of Marcos and the Romualdezes and entertained the possibility that one from their own ranks like former Assemblyman Arturo Tolentino or Defense Minister Juan Ponce Enrile will rise to power.

/9317

CSO: 4200/1121

PHILIPPINES

GOVERNMENT RETAINS KKK PROGRAMS, CHANGES STAFF

Quezon City ANG PAHAYAGANG MALAYA in English 21 Apr 86 p 2

[Article by Ellen Tordesillas]

[Text]

The much-maligned Kilusang Kabuhayan at Kaunlaran of former First Lady Imelda Marcos will not be abolished. There will only be a change of guards, Malays learned from demoralized employees of the KKK yesterday.

KKK employees criticized the manner the KKK task force assigned by Ministry of Human Settlements Hermie Aquino has been managing the affairs of the agency.

They are appealing to President Aquino and Executive Secretary Joker Arroyo to order a moratorium on the terminations conducted by the KKK task force.

They are also asking that terminations be revoked except in cases involving graft and corruption.

The KKK task force is composed of team leader Eduardo Lucero, Romeo David, Steve Joseph, Ricardo Ang, Francis Perez, Aurelio Juguilon and Oscar Mapua.

The employees said the task force assumed control of the agency without even introducing themselves to the employees.

More than a month and a half after their "taking over" of the KKK, the task force does not have a program for action for the KKK, the employees said.

Even as they have already terminated 350 employees, their criteria for termination or retention has been characterized by inconsistency, the disgruntled employees said.

The task force reportedly said the termination of employees will be based on records of graft and corruption, incompetence and necessity.

"We do not question the first two categories," the employees said adding that they have reservations about determining what is a necessary or redundant position as it would be on the recommendation of retained managers.

The task reportedly told them decisions on the termination of employees will be based on recommendation.

Employees also reported that members of the task force who were working on volunteer basis have formally announced they will occupy positions within the KKK structure.

Steve Joseph will reportedly head the KKK-PCA Administrative department and Alexis Svi-dal will be the comptroller.

The KKK rank and file employees have a long and bitter experience of arbitrary terminations and job placements because of favoritism, nepotism and the "palakasan" system instigated by some top and middle management employees," they said.

They also said when the retained employees asked the task force for a dialogue with the terminated employees, they refused.

They also tried to see Aquino about their complaints but he outrightly defended the task force's actions.

PHILIPPINES

ROMUALDEZ MANAGING FIRMS THROUGH LOCAL ATTORNEY

Orders By Phone From Hawaii

Manila MANILA BULLETIN in English 3 May 86 p 17

[Text]

Lawyer Delia S. Tantuico, the alleged alter ego of former ambassador Benjamin "Kokoy" Romualdez in all his corporations, is reportedly running the remaining firms for her boss via overseas calls from Hawaii.

Reliable sources revealed that Tantuico has been relaying Kokoy's orders to Jose Sandejas, chairman and president of First Manila Management Corporation (FMMC), a holding firm controlling about 45 corporations.

Sandejas was reportedly instructed to find a local buyer for the 17 million preferred shares owned by the Palm Avenue Realty and Palm Avenue Holding in Benguet Corporation and to negotiate for the sale of those shares.

Unless a buyer of those Benguet shares is found, the beneficial owner, identified by Antonio H. Ozaeta, president of Philippine Commercial International Bank at the bank's

stockholders' meeting as Romualdez, stands to lose those shares in a foreclosure proceedings by the banks with which they were mortgaged for a loan of P180 million.

On the other hand, if those Benguet shares were sold by the owners before the banks foreclosed on them, they stand to realize sizeable gains that would be more than enough to pay for the loans.

The instructions were reportedly for Sandejas to offer a sale price of P24 per share, which would be P10 per share higher than the acquisition cost of P13.44 and the conversion cost of P10.31 per share from preferred to common stock.

Ozaeta admitted that the loans against the Benguet shares have been in arrears as to principal but were up to date as to interest payments until last February.

Since the time Palm Avenue Realty and Palm Avenue Holding acquired in 1974 those Benguet shares from CCP

Securities, Tantuico has been actively running the two corporations.

Later when Romualdez acquired control of Meralco and First Philippine Holdings Corporation, Tantuico sat as director and/or corporate secretary. She was also a member of the board of directors until February in PCIB, representing the shares of First Holdings which were subsequently transferred to the Trans Middle East Philippine Equities, Inc., a member of the FMMC group.

While she was not a member of the board of FMMC or any of its satellite firms, it was common knowledge in the group that all major decisions had to be cleared with her, an informant said.

Meralco and First Holdings have been retaken by the Lopezes with the blessings of the new government and the composition of the boards has been changed with the cas-

ing out of directors representing the interests of Kokoy. The Presidential Commission on Good Government likewise sequestered Trans Middle East holdings in PCIB and three directors representing those shares were elected by PCGG.

The remaining corporations of Romualdez under the FMMC group are believed to have substantial assets, estimated at no less than P1 billion, although insiders say they are over-leveraged. This means that the group has substantial borrowings.

Starting with only about eight firms when the Romualdez group acquired FMMC in 1973, the group has grown into a conglomerate of 46 corporations.

They are engaged in real estate, transportation, shipping, construction, navigation, automotive, trading, steel, coconut oil, manufacturing, heavy equipment, ferry boats, travel, farming and services.

PHILIPPINES

COMMENTARY URGES CRITICS COOPERATE WITH AQUINO

Quezon City VERITAS in English 11 May 86 p 5

[Commentary by Rafael Alunan III: "Brasstacks"]

[Text]

BARELY two months on the job, President Corazon C. Aquino is now besieged by criticisms that demand quick results and the profound exercise of leadership. Yet the criticisms do not quite match President Aquino's tenacity and prudence on controversial issues. Moreover, the critics forget that when she assumed the mantle of leadership, there was no formal turnover nor the luxury of an orderly transition. There was only the mind-jarring inheritance of a social, economic, and political landscape in shambles.

Common sense compels the need for patience and understanding towards a new administration trying to get its act together. Under normal conditions, a 60 day transition period and a 100-day honeymoon with the press is accorded the winning candidate. The Aquino government, given highly abnormal circumstances, deserves, at the very least, the same treatment. This is not to say that constructive criticism is unwelcome. The trouble is that the timing and viciousness of oft-repeated criticisms are becoming highly suspect. One is tempted to muse whether this could be part of a shrewd mind-conditioning exercise to discredit and ultimately neutralize the President, dividing and conquering along the way.

Whether they like it or not, UNIDO and PDP-LABAN moguls and Cabinet officials are contributing to this unsettling situation. Their sniping over parochial interests and poorly coordinated actions are undermi-

ning the President's efforts at consolidation. Their inability to close ranks threaten to alienate or even fragment the populace. This is unacceptable.

What President Aquino needs at this crucial juncture is cooperation from all quarters. In the wake of political freedom comes the tremendous opportunity to shape an environment that will assure future generations of social stability, economic prosperity, and political maturity. This requires that national reconciliation comes first in the political agenda to anchor the peace process. And the example must come from the Cabinet. They must take a firm

hold of themselves and get down to brass-tacks. They owe it to the people to maintain the same standard of selflessness that carried us through the revolution, by addressing the people's concerns ahead of other considerations. For them to succumb to the temptations of power would be unforgivable. To ignore the people's plea to improve their welfare would be treacherous.

To refresh their memories, we remain seated atop a rumbling social volcano. Seventy-five per cent of our people - or about 40 million - live along or below the threshold of poverty. Millions are landless, unemployed; while most workers are underpaid. By and large, they sorely lack the purchasing power to acquire decent nutrition, housing, education, and health care. We inherited, too, a failed judicial system; a bloated government bureaucracy; and a military establishment, all of them notorious for public disservice. What we have,

therefore, is a despicable quality of life unfit for the majority of our countrymen, unfit for any self-respecting human.

How are we to cure this malady when we have an economy incapable of paying off our foreign debts? Our land and aquatic resources, and financial system, are largely exploited by foreign interests. The agricultural and manufacturing sectors remain backward, seriously handicapped by the lack of integrated industrial complementation programs. We hardly have a science and technology base to speak of, except the obsolete ones we import. Venture capital is unavailable while other economic infrastructures such as distribution, freight, and storage are distantly deficient. On top of these, the cost of doing business is smothering. Energy costs are at least double that of our regional neighbors; interest rates are 200-300 per cent more than theirs; and the remaining profit margins, if

any, are eaten up by oppressive taxes. Needless to say the multiplier effects have been deadly.

It is no surprise then why we have become less and less competitive abroad and, more tragically, in our own turf against cheaper and better produced imports.

There is undoubtedly much to be done. We have inherited extraordinary problems requiring extraordinary solutions. With President Aquino, the Cabinet must exercise statesmanship and project a national vision that will inspire the people, that will fire up their imagination to unleash their creativity and productive power. The divisive bickerings and unprofessionalism must stop for the nation's sake. We must avoid losing another opportunity to establish a meaningful future. We should not tolerate another failure because we simply cannot afford to. Otherwise, the next battle of the revolution promises to be no picnic.

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PHILIPPINES

WEEKLY DEFENDS, PRAISES AQUINO CABINET

Manila City VERITAS in English 11 May 86 p 4

[Editor's Note: "Getting Their Share of Flak"]

[Text]

DURING his TV dialogue with President Aquino last Wednesday, former MP Orly Mercado made a significant observation: while some of her cabinet members were receiving a lot of flak from the press and from the public, she herself has been largely spared.

President Aquino, in reply, said that this was true and that she was grateful for it. And she commiserated with the wives and children of the cabinet members who were getting the brunt of the criticism.

There is absolutely no question that the two men who seem to be the principal targets are Finance Minister Jaime Ongpin and Central Bank Governor Jose B. Fernandez. Local Governments Minister Nene Pimentel is a very close second, and Labor Minister Bobbit Sanchez is not far behind.

The rest receive their share of brickbats, but on a decidedly less vitriolic way. These people include Good Government Commissioner Jovy Salonga, Trade Minister Joe Concepcion, Human Rights Commissioner Pepe Diokno, Information Minister Teddy Boy Locsin and Executive Secretary Joker Arroyo. Even Presidential Spokesman Rene Saguisag, who by and large has done excellently in a position for which he, by his own admission, has no particular liking or aptitude, has not been spared.

There is no particular rhyme or reason discernible behind the public's critical stance. Certainly, all the cabinet members have been working very hard. In some of the cases, notably that of Nene Pimentel, the issue is performance. Rightly or wrongly, the people perceive that he has botched up the question of OICs. Quite a few of his appointments have been criticized. And, even though he has striven to rectify some of the more glaring errors, his image remains tarnished.

In the case of Jobo Fernandez, his performance is likewise questioned. But, strangely enough, it is not his performance in the Aquino government that is under fire. It is his actions in the past dispensation – the Banco Filipino case and the closure of a passel of other banks – which a substantial number of people (most of them, presumably, employees of these banks) take him to task for.

Salonga is accused of shooting from the hip and asking questions later. His entire policy of sequestration is drawing fire from all quarters. Diokno's uncompromising stand on human rights abuses, particularly those committed by the military establishment, has not endeared him to the soldiers, particularly those who are identified with the reform movement.

Arroyo is denounced as a communist, which he isn't, and Locsin is hit for supposedly not having enough rapport with the working press. And Saguisag? He has come under fire because, on certain occasions, he supposedly lost his cool under the relentless questioning of newsmen.

The appointments of all the above people, with the possible exception of that of Jobo Fernandez and that of Joe Concepcion were well received by the general public. Concepcion, it will be remembered, was excoriated, even by some of the people who served with him in the Namfrel, for putting the lie on Namfrel's claim of neutrality by accepting the trade ministry with indecent haste.

But, wonder of wonders, all that criticism seems to have been forgotten. And his performance in the sensitive post is widely hailed.

Ongpin's case is the exact opposite of Concepcion's. When his appointment as finance minister was announced, he was acclaimed as the logical man for the post, considering his vast financial expertise and his closeness to Cory Aquino.

But that popular impression was soon dissipated. And all because, in a television interview, he made the statement that his acceptance of the position was premised on the re-appointment of Fernandez as CB governor. For some reason, people thought the statement was arrogant. And the *animus* he generated by such a statement did not help him any when, in a subsequent press conference, he revealed the Kokoy connection in Benguet Corporation, the conglomerate he had headed before joining the cabinet. The attacks continue despite the fact that the President, in private and public statements, has expressed full satisfaction about his performance.

Bobbit Sanchez, quite possibly, is still biting his tongue for having spoken about profit-sharing soon after he assumed office. Despite the clarifications he subsequently issued, the wrong impression he created persisted. And Bobbit got so gun-shy that, on Labor Day at the Luneta Park, he refrained from delivering a speech, confining himself to introducing the President.

Minister Tito Guingona of the Commission on Audit and Budget Minister Alberto Romulo have escaped criticism. Guingona, in fact, has been getting some heady applause for his work in unearthing so many anomalies in the past administration.

But perhaps the biggest public kudos have been reserved for Vice President and Foreign Minister Salvador Laurel. All through the past ten weeks that he has been in office, he has been conducting himself in a very statesmanlike manner. The restraint he demonstrated – and continues to demonstrate – in what must be his deep-seated disagreements with Nene Pimentel on controversial OIC appointments has been most laudable. And the way he handled himself in Bali during his conversations with President Reagan and State Secretary George Shultz did us all proud.

Never once has his famed Batangueno temper surfaced. He has been a model of prudence, and he is constantly earning points for his exemplary behavior.

What does all the foregoing prove? Just this: there is no accounting for the public mood or for newsmen's attitudes towards specific public officials. Sometimes, one television interview can prove one's undoing.

President Aquino, for her part, continues to make friends and influence people with her television dialogues. Which is all to the good, for she needs all the help she can get.

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1 July 1986

PHILIPPINES

EDITORIAL SUPPORTS OFFICIALS' 'UNCOMPROMISING STAND'

Quezon City ANG PAHAYAGANG MALAYA in English 13 May 86 p 4

[Editorial: "Quisumbing and Tanada"]

[Text]

One is both alarmed and pleased over two separate reports that two personalities in President Aquino's coalition government have threatened to resign if their uncompromising stand on vital issues is jeopardized by larger influences.

We are referring to Education Minister Lourdes Quisumbing and Customs Commissioner Wigberto Tanada. One told a cheering crowd of teachers last week that she is ready to put her job on the line if her program for a bigger pay package for tutors does not get the government's nod. The other is reportedly ready to quit over pressures from Finance Minister Jaime Ongpin on the controversial contract with the Swiss firm Societe General de Surveillance.

Yesterday's *Midday* quoted Customs sources as saying the young and uncompromising human rights lawyer was prepared to resign rather than implement the controversial agreement with the SGS, which he "considers patently disadvantageous to the Philippine government."

From all indications, the young Tanada is not just throwing a tantrum over not being able to have his way with Mr. Ongpin. He does have sensible and logical protests against the P500-million a year contract.

Under the contract, the Swiss firm would monitor the value and volume of Philippine imports from 9 countries to determine the correct Customs duties and other taxes to be levied on the goods. Customs officials said the main goal of the contract was to check smuggling, but Tanada apparently believes getting such a disadvantageous contract without a categorical guarantee that smuggling would be stopped altogether is not worth it. And he has stuck to his guns not to implement the contract by May 1, as Mr. Ongpin wanted.

In fact, Tanada had been directed to sign the letter of credit involving P34 million as the first monthly advance payment to SGS, but he refused.

We don't know how these two threats would eventually be resolved. But the

way we size up the personalities in the Aquino Cabinet, especially Quisumbing and Tanada, there is no turning back from such a threat, especially if it involves principle.

One is alarmed over the prospect of the government losing two good workers, but at the same time we are pleased that they are persons of conviction. We hope they are not like the Marcos lackeys who whined and whimpered about resigning when they were scolded by the great dictator, but eagerly resumed licking his boots when they were given the slightest hope that he would not call their bluff.

Meantime, we hope Mrs. Aquino would understand well the point these two people are trying to make and act accordingly.

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PHILIPPINES

BUSINESS COLUMNIST HITS AQUINO GOVERNMENT

Quezon City ANG PAHAYAGANG MALAYA in English 22 Apr 86 p 7

[Article by Jake Macasaet in the "Business Views" column: "Business Is Not Moving"]

[Text]

There are no visible signs that the economy is on the road to recovery. On the contrary, there seems to be a general feeling of mild disappointment over the way the Aquino government is conducting its affairs in relation to business.

The obviously pro-labor pronouncements of Labor Minister Augusto Sanchez is worsened by the advocacy of repudiating some of our foreign debts. NEDA Director General Solita Monsod, in the minds of some businessmen, should be the last to spouse a repudiation. Sanchez and Monsod are not helping attract foreign investments.

The Aquino government has been in power 45 days now but so far, there is no blue-print yet for economic recovery. Business wants some directions defined so more meaningful planning could be made. But there are no directions that anyone willing to help can follow.

On the other hand, the Aquino government seems to be tolerating the abuse of "people power". Otherwise, squatters will never

have the courage to invade private subdivisions; so-called Marcos loyalists will not have the gull to create the troubles they are creating now, considering that this is supposed to be a revolutionary government.

The business sector is not too happy either over the fact that most of the ministers are running their offices like they are their own kingdoms. Some of them go as far as making minor appointments which used to be exclusively a function of the President. In other words, business is not happy that the President seems to be absent.

There is too much preoccupation - and too much time is therefore wasted - running after the hidden wealth of Marcos and those who worked for him. In the past 45 days, the newspapers have headlined nothing but stories on how Marcos plundered the economy. That would have been all right if the economic planners of President Aquino had formulated a plan for recovery.

It is a pity that there is no such plan. There are enough indications that, properly guided, business can start rolling up its sleeves and

face the task for building the nation. For example, the foreign exchange rate has stabilized to a more manageable level. Interest rates on loans continue to come down. Prices of essential commodities have remained steady. These are conditions that hardly existed before. But they should be complemented by an economic blue print that sets the development goals.

The letters of credit opened from the time Corazon Aquino assumed the presidency 45 days ago are far bigger than the value opened from January to May last year. Another good sign. However, we see all around us too many imported goods that do not help the economy. There is too much canned goods and expensive ready-to-wear materials. Again, there are no policies in this area.

The export sector is almost dismal. Metals, coconut and sugar will remain in the doldrums for a while longer. Manufactured exports are negligible, except garments. These areas of economic activity also need guidance which should be clearly defined in an economic blue-print.

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PHILIPPINES

MALAYA COLUMN CRITICIZES AQUINO PRESS FREEDOM REMARK

HK091209 Quezon City ANG PAHAYAGANG MALAYA in English 3 Jun 86 p 4

[Column by Luis R. Mauricio: "Where Lies the Blame"]

[Text] The visage of the real Corazon Cojuangco-Aquino, intellectual scion of landed gentry whose benighted ideas properly belong to the past century, emerged the other day from the welter of materials that had tended to build the image of her as an entirely different person--a forward-looking, liberal-minded, democracy-loving president.

In extemporaneous remarks before the Catholic Women's League [CWL], she revealed her true self--she bewailed the existence of a free press in the Philippines today.

"Perhaps it was my mistake that I restored freedom of the press," Mrs Aquino was quoted by the SUNDAY TIMES. The TRIBUNE reported her as having said that "if she and her Cabinet are now being attacked by media, it is her fault because she gave them press freedom."

Because of the freedom the media enjoy, she reportedly appealed to them to write about not only the bad but also "the good and the beautiful"--phrases reminiscent of (but which Mrs Aquino now shares with) Imelda Marcos.

Right from the start, let us get this straight: The media practitioners do not owe their freedom to Mrs Aquino nor to anyone in her government. It is not given to anyone--be she president or empress--to grant or "to restore" freedom of the press.

The people fought for this freedom which was taken from us by Marcos and we did not need Mrs Aquino or her cohorts to restore this freedom to us.

She can, like Marcos, steal it from us, if she wants to--perhaps she thinks that, by virtue of her powers under a revolutionary government, she can do so--but she can rest assured that we shall fight, as we fought Marcos, to get it back.

The sooner Mrs Aquino realizes this, the better for all concerned. Cuentas claras conservan la amistad [truth preserves goodwill].

Adverse reports in the media, according to her, have resulted in the government's inability to attract foreign investors. This, to her, is quote unfortunate.

What is truly unfortunate--and the President does not seem to realize it--is that, by her latest statement, she has alienated a lot of her admirers.

Despite all the platitudes she had been mouthing in the past, about her adherence to free and democratic society (which that one under the Marcos regime was not), she has now come out with an implied confession that she lacks absolute faith and confidence in the freedom of the press.

Viewed in the light of her previous statement that, if there was anything she hated most, it was unsolicited advice, the President's remarks before the CWL present the picture of a person intolerant of things that becloud her rosy vistas, even if these bespeak reality.

Come to think of it now, perhaps Information Minister Locsin was not the person to blame for banning Albert Garcia, the BULLETIN-TEMPO photographer, from Malacanang for shooting that photo in Davao which was unflattering to the President. Maybe, what prompted Locsin to issue that order was his being privy to the President's partiality toward "the good and the beautiful"--and this is what goaded him into declaring Garcia's photo as being "in poor taste."

Mrs Aquino must have been miffed by the realization that, as her 100th day in office draws near, her government has not shown any sign of moving to meet even halfway the expectations of her most ardent fans; hence, she must have a whipping-boy and what better and more readily available whipping-boy could there be than the media.

It was an irrational thing to do. Had it not been for the determination of media men (with but a few unfortunate exceptions) to assert freedom of the press during the Marcos years, even at the risk of life or limb, Mrs Aquino would not be where she is today.

In the first place, her concern over her government's failure to attract foreign investment is out of place. She must realize that there is timidity not only of foreign investors but also--and this is more important--of local investors.

And if blame must be laid for this sad state of affairs, it must be laid right at the doors of the President's Arlegui [meaning unknown] office.

While the government has been making a great to-do about the Cabinet meetings every Wednesday, Mrs Aquino's ministers do not speak with one voice.

Her Cabinet speaks with many voices, each one as shrill, as hazy and incoherent, and as infused with monumental arrogance and braggadocio as the others.

This has worsened the glaring lack of a clear, definite, and honest-to-goodness economic program.

Entrepreneurs who suffered during the Marcos era were eager, after Marcos had fled, to pick up the pieces and rebuild enterprises which martial law had destroyed. But they see no lodestar in the Aquino government which can serve to guide them.

They want to start afresh. But they are assailed by doubts in what plans the Aquino government has. No self-respecting investor can make any long-range projection based on shifting policies of a government which plays things by ear.

Although there should be nothing to fear about the government being revolutionary--if only the new mandarins had devoted their waking hours to demonstrating to the people that they mean to serve, instead of haughtily strutting around like cocks-of-the-walk--the people, local and foreign entrepreneurs specially, are entertaining second thoughts.

And the situation has not been helped any by the imperious swagger of the commission on good government which, unable to restrain the temptation to exhibit its unprecedented powers, goes around bullying every enterprise with its innumerable, hungry, and uncouth task forces and striking fear into the hearts of every prospective investor.

Two days from now, Mrs Aquino will have reached a significant milestone--her first 100 days--in office.

If she is fed up with the absence of salient movement forward in her government, she must look to the men she had chosen to help her run it, gather them all together, lay down the law on them, tell them where she plans to lead the country and people, and then whip them all into line.

She should do that, instead of using the media as a convenient whipping-boy. After all, a free media only reflects the reality.

/6662

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PHILIPPINES

KB TACLOBAN RALLY CALLS FOR MARCOS RETURN

Quezon City ANG PAHAYAGANG MALAYA in English 7 May 86 p 16

[Article by Ted Marcos]

[Text]

TACLOBAN CITY — Die-hard Kabataang Baranggay (KB) members and officers held a "loyalist" rally May 2 here ostensibly to move for the retention of the KB as a youth arm of the government, yet ended up calling for the return to the country and to power of former President Ferdinand E. Marcos.

The sparse group of demonstrators was a far-cry from the well-funded and consequently well-attended KB rallies held during the Marcos and Romualdez' reign of power.

The rallyists were joined by employees of the Office of Media Affairs here who were later seen distributing leaflets supporting the KB rally.

Die-hard Kabataang Baranggay (KB) mem-

bers and officers held a "loyalist" rally May 2 in Tacloban City ostensibly to move for the retention of the KB as a youth arm of the government. The rally ended up later in a feeble cry to bring back Pres. Marcos to the country and hopefully to power.

However, the KB "loyalists" rally have been considered by political observers as "the last hurrah" of Edward Chua, KB regional chairman for region VIII, and erstwhile appointed sectoral assemblyman representing the region's youth sector.

Chua disclosed that he met personally President Ferdinand Marcos and Leyte ex-Governor Benjamin "Kokoy" Romualdez in Hawaii on his trip

there last month. Chua admitted the possibility that President Marcos and Kokoy Romualdez will be coming back to the country.

He said that Marcos told him while in Hawaii that he will return to the Philippines to face all charges prepared against him.

Though Chua later said that the KB rally was not really for any political partisan purpose but only to promote the interests of the KB and the youth sector they are representing.

Chua turned back a bit on his expressed hopes for the return to power of Marcos and the Romualdezes and entertained the possibility that one from their own ranks like former Assemblyman Arturo Tolentino or Defense Minister Juan Ponce Enrile will rise to power.

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CSO: 4200/1121

PHILIPPINES

GOVERNMENT RETAINS KKK PROGRAMS, CHANGES STAFF

Quezon City ANG PAHAYAGANG MALAYA in English 21 Apr 86 p 2

[Article by Ellen Tordesillas]

[Text]

The much-maligned Kilusang Kabuhayan at Kaunlaran of former First Lady Imelda Marcos will not be abolished. There will only be a change of guards, Malaya learned from demoralized employees of the KKK yesterday.

KKK employees criticized the manner the KKK task force assigned by Ministry of Human Settlements Hermie Aquino has been managing the affairs of the agency.

They are appealing to President Aquino and Executive Secretary Joker Arroyo to order a moratorium on the terminations conducted by the KKK task force.

They are also asking that terminations be revoked except in cases involving graft and corruption.

The KKK task force is composed of team leader Eduardo Lucero, Romeo David, Steve Joseph, Ricardo Ang, Francis Perez, Aurelio Juguilon and Oscar Mapua.

The employees said the task force assumed control of the agency without even introducing themselves to the employees.

More than a month and a half after their "taking over" of the KKK, the task force does not have a program for action for the KKK, the employees said.

Even as they have already terminated 350 employees, their criteria for termination or retention has been characterized by inconsistency, the disgruntled employees said.

The task force reportedly said the termination of employees will be based on records of graft and corruption, incompetence and necessity.

"We do not question the first two categories," the employees said adding that they have reservations about determining what is a necessary or redundant position as it would be on the recommendation of retained managers.

The task reportedly told them decisions on the termination of employees will be based on recommendation.

Employees also reported that members of the task force who were working on volunteer basis have formally announced they will occupy positions within the KKK structure.

Steve Joseph will reportedly head the KKK-PCA Administrative department and Alexis Sevidal will be the comptroller.

The KKK rank and file employees have a long and bitter experience of arbitrary terminations and job placements because of favoritism, nepotism and the "palakasan" system instigated by some top and middle management employees," they said.

They also said when the retained employees asked the task force for a dialogue with the terminated employees, they refused.

They also tried to see Aquino about their complaints but he outrightly defended the task force's actions.

PHILIPPINES

ROMUALDEZ MANAGING FIRMS THROUGH LOCAL ATTORNEY

Orders By Phone From Hawaii

Manila MANILA BULLETIN in English 3 May 86 p 17

[Text]

Lawyer Delia S. Tantuico, the alleged alter ego of former ambassador Benjamin "Kokoy" Romualdez in all his corporations, is reportedly running the remaining firms for her boss via overseas calls from Hawaii.

Reliable sources revealed that Tantuico has been relaying Kokoy's orders to Jose Sandejas, chairman and president of First Manila Management Corporation (FMMC), a holding firm controlling about 45 corporations.

Sandejas was reportedly instructed to find a local buyer for the 17 million preferred shares owned by the Palm Avenue Realty and Palm Avenue Holding in Benguet Corporation and to negotiate for the sale of those shares.

Unless a buyer of those Benguet shares is found, the beneficial owner, identified by Antonio H. Ozaeta, president of Philippine Commercial International Bank at the bank's

stockholders' meeting as Romualdez, stands to lose those shares in a foreclosure proceedings by the banks with which they were mortgaged for a loan of P180 million.

On the other hand, if those Benguet shares were sold by the owners before the banks foreclosed on them, they stand to realize sizeable gains that would be more than enough to pay for the loans.

The instructions were reportedly for Sandejas to offer a sale price of P24 per share, which would be P10 per share higher than the acquisition cost of P3.44 and the conversion cost of P10.31 per share from preferred to common stock.

Ozaeta admitted that the loans against the Benguet shares have been in arrears as to principal but were up to date as to interest payments until last February.

Since the time Palm Avenue Realty and Palm Avenue Holding acquired in 1974 those Benguet shares from CCP

Securities, Tantuico has been actively running the two corporations.

Later when Romualdez acquired control of Meralco and First Philippine Holdings Corporation, Tantuico sat as director and/or corporate secretary. She was also a member of the board of directors until February in PCIB, representing the shares of First Holdings which were subsequently transferred to the Trans Middle East Philippine Equities, Inc., a member of the FMMC group.

While she was not a member of the board of FMMC or any of its satellite firms, it was common knowledge in the group that all major decisions had to be cleared with her, an informant said.

Meralco and First Holdings have been retaken by the Lopezos with the blessings of the new government and the composition of the boards has been changed with the eas-

ing out of directors representing the interests of Kokoy. The Presidential Commission on Good Government likewise sequestered Trans Middle East holdings in PCIB and three directors representing those shares were elected by PCGG.

The remaining corporations of Romualdez under the FMMC group are believed to have substantial assets, estimated at no less than P1 billion, although insiders say they are over-leveraged. This means that the group has substantial borrowings.

Starting with only about eight firms when the Romualdez group acquired FMMC in 1973, the group has grown into a conglomerate of 46 corporations.

They are engaged in real estate, transportation, shipping, construction, navigation, automotive, trading, steel, coconut oil, manufacturing, heavy equipment, ferry boats, travel, farming and services.

Firms Listed

Manila MANILA BULLETIN in English 3 May 86 p 17

[Text]

The following are the companies belonging to the FMMC group:

1. First Manila Management Corp.
2. PSEI Transport Corp.
3. Trans Middle East Philippines Equities, Inc.
4. St. Bernard Services Corp.
5. Erectors Holdings, Inc.
6. Erectors International, Inc.
7. Erectors Inc.
8. Erincor Development Corp.
9. Soloil Inc.
10. SMD Resources, Inc.
11. Service Systems International, Inc.
12. A & E International Corp.
13. Agro Tech Industrial Corp.
14. Asian Specialist Contractors Inc.
15. PBM Steel Corp.
16. Philippine Hawk Transport Corp.
17. Philippine World Travel, Inc.
18. Philworld Charter and Travel Services Corp.
19. Philtranco Service Enterprises, Inc.
20. Philworld Breco Travel Inc.
21. Pilipinas Automotive Credit Corp.
22. Pilipinas Hino, Inc.
23. Pilipinas Magnetics Inc.
24. Pilipinas Maintenance Services Corp.
25. Pilipinas Nissan Inc.
26. Pilipinas Nissan Holdings Inc.
27. Pilipinas Transport Industries, Inc.
28. Power and Construction Machinery Inc.
29. Professional Managers Inc.
30. PSEI Holdings, Inc.
31. Pilhino Sales Corp.
32. Filmarine Shipping Corp.
33. First Metro Management Inc.
34. Gamma Realty Corp.
35. Genasia Management and Development Corp.
36. International Heavy Equipment Corp.
37. Mantrade Development Corp.
38. Maguindanan Navigation Corp.
39. Maranaw Navigation Corp.
40. Metro Motors Inc.
41. Northern Leyte Agro-Industrial Corp.
42. DMG Inc.
43. DMG Industries, Inc.
44. Badjao Navigation Corp.
45. Chart Management Services, Inc.
46. Data Systems Services, Inc.

PHILIPPINES

ATTORNEY ON COJUANGCO BUSINESSES, WISH TO RETURN HOME

'Willing' To Answer Charges

HK110601 Quezon City BUSINESS DAY in English 10 Jun 86 p 28

[Text] Ex-president Ferdinand E. Marcos' business associate Eduardo Cojuangco Jr. is willing to cooperate with the Aquino government, and face charges against him, if he is allowed to return to the country and be accorded rights offered to ordinary citizens.

Cojuangco's spokesman and legal counsel Gabriel Villareal told a press conference yesterday that Cojuangco, who had left the country with the Marcoses last February, is banking on the premise that the new government will live by democratic tradition.

Villareal said there are no negotiations being formally conducted to facilitate Cojuangco's return, and Cojuangco, whose passport had been cancelled, was not sure if he would be allowed to return to the country.

"Yes, he wants to come home but he is wary and wants government views (on his return)," said Villareal.

Villareal, in a prepared statement, deplored "the continuing trial by publicity of Cojuangco by certain quarters in the government through the deliberate twisting of facts relating to his business dealings."

He said the alleged misuse of coconut levy funds and the "lopsided" land-swap involving Bugsuk Island in Palawan were false and had no basis.

The Commission on Audit had recently released findings that P840 million of the coconut levy was channelled to the Agricultural Investors Inc. (AII) which it termed as "perjudicial to coconut farmers and beneficial to the AII."

Villareal explained that AII does not owe the National Investment and Development Corp. (NIDC), administrator of the coconut levy funds, anything. The transactions between NIDC and AII were covered by the memorandum of agreement which guided the use of funds and remuneration to AII, he added.

1 July 1986

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Manila MANILA BULLETIN in English 3 May 86 p 17

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CSO: 4200/1129

PHILIPPINES

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HK110601 Quezon City BUSINESS DAY in English 10 Jun 86 p 28

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In his statement, he said P426.26 million was appropriated from the Coconut Industry Development Fund (CIDF) or the coconut levy for the development of more than 1,000 hectares of frontier land in Bugsuk Island in Palawan for the development of a coconut seed garden. The seed garden was intended to propagate hybrid seed nuts to replant about three million hectares of coconut lands.

The total amount was released in several [word indistinct] between 1974 and through 1979 pursuant to a Memorandum of Agreement executive in September 1974 between the owner of the land and the developer of the seed garden, AII and NIDC, respectively, he said.

The suspension of the coconut levy in 1982, however, prevented NIDC from meeting its commitment of providing development funds for the Bugsuk seed garden under the agreement.

AII, in turn invoked a provision in the agreement authorizing the recovery of a predetermined amount of liquidated damages in the event of breach of the agreement. The matter was elevated to the arbitration tribunal created under the agreement, which awarded liquidated damages to AII and deducted therefrom the P426.26 million which AII was under obligation to repay CIDF.

Villareal, however, said he could not immediately provide the total amount of liquidated damages paid to AII.

Villareal at the same time maintained that the land swap deal, calling for the exchange of 1,600 hectares of Cojuangco's prime lands in Pangasinan, Tarlac and Nueva Ecija for 16,000 hectares of frontier government land was legal.

He said such a deal was covered by Republic Act No 926 approved in June 1953, which he said makes it unlikely for Cojuangco to have maneuvered its passage.

Reacting to published reports that the government intended to confiscate and take over the sequestered Bugsuk Island, Villareal said they would be "constrained to defend" their stand should this occur.

Offers To Help Recover Marcos' Wealth

HK100722 Quezon City Radyo NR Bayan in Tagalog 0600 GMT 10 Jun 86

[Text] Former Ambassador Eduardo Cojuangco, closest associate of former president Marcos, asked the government of President Corason Aquino to allow him to return to the country. At the same time, he offered to help recover some \$10 billion acquired by the former president. This was the report made by Cojuangco's lawyer, attorney Gabriel Villareal, who added that the former ambassador has nothing to hide from the new government and the Philippine people about his activities. His only wish is that he be accorded the full legal rights entitled to every Philippine citizen.

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CSO: 4200/1128

PHILIPPINES

COLUMNISTS, EDITORIALS REACT TO POLICE, LOYALISTS VIOLENCE

NEWS HERALD Criticizes 'Loyalists'

HK110500 Manila THE NEWS HERALD in English 10 Jun 86 p 4

[Editorial: "Loyalists Fighting for What Freedom?"]

[Text] The "Loyalists," as we have come to call the rabid followers of Marcos as if he were ever a monarch (although his regime was an autocracy for all intents and purposes), who attempted last Sunday to march from the Luneta to Malacanang were out to dramatize what they claim to be a campaign for freedom.

Any foreign observer not familiar enough with the Philippines would be utterly confused. Was not the February revolution the culmination of the Filipino people's protracted struggle to free themselves of the shackles of dictatorship? Was it not a victory for democracy and freedom? Why then this howling like caged creatures by these people called loyalists?

The term "loyalist" is not merely a case of convenient labelling; it is tailor-made for the people who for one reason or another are Marcos diehards.

And they may come as a shock to most Filipinos, but the loyalists believe, again for one reason or another, that they are fighting for freedom.

Freedom from what? One who went through twenty-years of Marcos dictatorship may well ask.

Or, to put it another way, what freedom are they fighting for?

Freedom to build showcase projects for which the future of generations of Filipinos were mortgaged?

Freedom to divert public funds and misuse them for purposes invariably dubious like vote-buying to perpetuate the past regime in power?

Freedom to collect fat commissions on projects like the Bataan nuclear plant that endangers the lives of the people and burden them with a huge foreign debt?

1 July 1986

Freedom for the leaders to live ostentatiously and beyond their licit means while millions of Filipinos are mired in abject poverty?

Freedom to build palaces in the sky while countless Filipinos are without a roof over their heads?

Freedom to violate human rights through murder, torture, arbitrary arrests, and other heinous crimes?

Freedom to muzzle the press by incarcerating, even eliminating men and women in media critical of government or by padlocking or taking over (not merely sequestering) media establishments as what happened when martial law was declared?

Freedom to be blind to all this and insist on restoring to power a regime that brought this nation to ruin and from which it now has a chance to rise and save itself?

God forbid the return of the travesty of true freedom we endured for two excruciatingly long decades.

DAILY EXPRESS Blames Both Sides

HK110440 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 10 Jun 86 p 4

[Editorial: "Institutionalizing Violence"]

[Text] There is no excuse whatsoever for the violence that erupted last Sunday and both the loyalists who marched to the fringes of Malacanang and the police forces which dispersed them with truncheons, tear gas, and water cannons are to blame.

The loyalists were practically asking for it. They had all the warnings they needed to disperse. The same truncheons which were used to disperse Aquino supporters before the Marcos government was toppled were already poised, but the loyalists insisted on proceeding to the Freedom Park fronting the palace, claiming that while their earlier permit to hold a rally did not specify or cover that park, Freedom Park rallies need no such permits. Thus, despite the pleas which later became warnings, the loyalists did what the Cory supporters used to do: held their ground, until the police came with all their weapons.

The police were also sadism personified, as they clubbed helpless loyalists and went after fleeing demonstrators like men gone berserk. The tale of woe which thus emanated from the perimeters of Malacanang could not but thus mingle with the threats of more violence. Like the Cory marchers of old, the loyalists now believe that the shedding of blood has sanctified their cause.

Thus, it is not the loyalists or the government which "won" in last Sunday's clashes. But we know who lost: freedom of speech, freedom of assembly, and other human rights were all blackened, and needlessly at that.

What is there to prevent loyalists and police forces from defining the boundaries of such rallies, and agreeing to these? And whatever happened to the pledge that maximum tolerance would be exercised, so long as marches or assemblies remained peaceful? Violence begets violence, and if the instability persists, then we might as well ask the rebels to come down--the city and perhaps the entire country is ripe for the taking.

Valencia: 'Minimum Tolerance' Exercised

HK110400 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 10 Jun 86 p 4

[From "Over a Cup of Coffee" column by Teodoro F. Valencia: "Discontent Is the Word"]

[Text] Nobody knows better what a demonstration means than those who won power via demonstrations and rallies. That explains the "minimum tolerance" they have for those who are demonstrating against them.

The pathetic thing about the water bombing, gassing and beating up of demonstrators labelled as "Marcos loyalists" is that the people doing it were the same policemen who faced the Aquino demonstrations during the Marcos administration. The Aquino loyalists must be laughing themselves sick seeing their former adversaries literally killing one another.

As the veteran Aquino demonstrators watched, they must have understood the meaning of these escalating mobs determined to achieve what they want. No wonder they're panicking. They're doing exactly what they don't want to do.

Against the claims of the successes of the administration that we hear on radio, television and platforms, what is the truth? Those demonstrations prove something else. Discontent is the word for it.

This late, newspapers, radiomen and television broadcasters still don't know how to count. The Sunday "Loyalist" demonstrators were counted so many ways. One paper said there were 100,000. Even the police said 15,000 was the correct number but some papers said 20,000, 8,000, or 50,000. It depends on what color of eyes you have.

Bigornia: Use of Force 'Traditional'

HK110344 Manila MANILA BULLETIN in English 10 Jun 86 p 4

[Column by Jesus Bigornia: "A Sorry End to a 'Loyalist' Protest March"]

[Excerpts] For daring to march on Malacanang after a wind-up rally at the New Luneta, a contingent of so-called "Marcos Loyalists" was tear gassed and beaten up by a Philippine Constabulary force Sunday afternoon. Reports have it that the clash which broke out at the northern approach of Ayala Bridge in mid-town Manila claimed the lives of at least seven demonstrators,

including two children who reportedly died of asphyxiation, besides inflicting injuries to scores of others who had fled for safety to the Muslim Center in Quiapo. It was a sorry end to a protest march.

Because they adhered to an over-used protest tactic, the plans of action by the "Marcos Loyalists" were known to government authorities who had mounted the counter-measures to foil an unwanted entry into the area around the presidential palace. Future attempts of this nature may be expected to be foiled in the traditional manner--with force. Leaders of the protest movement are even now thinking of alternatives short of rebellion to convey their opposition of the three-month-old Aquino government. Just what these alternatives are was not disclosed.

Thursday's televised meeting of the Cabinet, a command performance, fell short of reassuring an expectant nation on final economic recovery despite its obvious success as a propaganda gambit. An attempt to depict the essentially democratic nature of the Aquino government, the meeting was, nevertheless, dominated by fiscal authorities in the President's official family--Finance Minister Jaime Ongpin and National Economic Development Minister Solita Monsod--with their intimidating tax proposals. The ringmaster, President Corazon Aquino, used both tact and style to guide the gathering to as yet ill-defined decisions.

There are signs of tampering, even falsifying, of Labor Minister Augusto Sanchez. In a recent issue of a morning daily (not the MANILA BULLETIN), it is reported that the incidence of strikes during Sanchez' first months in office had subsided. The exact opposite is the case. The strike figures in March, April and May of this year were the highest recorded in the country's history--65, 77 and 51, respectively. Compared with the 126 strikes called in the same period of last year, this year's total--193--is rather high.

Mayor Limits Rally Permits

HK091315 Quezon City Radyo ng Bayan in Tagalog 1200 GMT 9 Jun 86

[Text] Acting Manila Mayor Mel Lopez Jr said that he will not grant Marcos loyalists and other groups the permit to stage rallies at Luneta, Liwasang Bonifacio and Freedom Park in front of Malacanang on Independence Day and Manila Day, that is 12 and 24 June, respectively. However, he will allow them to hold their mass meetings at Plaza Moriones, Plaza Adado Hernandez and [words indistinct] on those dates.

Lopez also warned rally leaders against violating regulations and laws, saying that if they do so, they will not be granted rally permits again. He accused the Marcos loyalists of abuses which led to chaos near Malacanang yesterday.

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CSO: 4200/1128

PHILIPPINES

COLUMNIST ON KBL CRITICS, 'BOLD' FILMS, MARCOS FORCES' TANKS

Quezon City VERITAS in English 11 May 86 p 6

[Article by Red Batarilo: "Inside Info: "New Song, Same Singers")]

[Text]

TO HEAR them sing their new song, you would think they had nothing to do with their former lord and master, the disgraced Mr. Marcos who has yet to find a home after being ousted from his lofty perch in Malacañang.

Former Batasan Speaker Nicanor Yñiguez (now acting KBL president) and former MP Manuel Garcia are now castigating the Aquino government for "violating the policy of political neutrality."

The two gentlemen of the erstwhile ruling party say that this policy "appears to have been violated in the military takeover of Karomatan town in Lanao del Sur."

They say that the town was forcibly taken by Col. Celso Undang from Naga Dunaporo, brother of former Lanao del Sur Governor Ali Dimaporo.

Mesrs. Yñiguez and Garcia air this lament also: "Gov. Dimaporo himself and his followers were unnecessarily threatened and driven out of the Lanao del Sur provincial capitol by a military force led by Saidaman Pangarung and his uncle, Lt. Col. Jose P. Soria, the newly-appointed PC provincial commander."

What they both failed to point out was that Dunaporo has a virtual army out there and was controlling at will the very life of the province.

They also seem to have forgotten so quickly how they used to sing hosannas each time Mr. Marcos issued one of his iron-fisted decrees designed to suppress any whisper of protest through the use of both the regular armed forces and private armies which are at the beck and call of political warlords like Dimaporo.

To them, perhaps, violations of political, economic, human and other rights during the tenure of Mr. Marcos had the cloak of legitimacy since they and their KBL colleagues in the Batasan were the ones who had hitherto supplied the excuses for the super-president's excesses.

Well, singing new songs is nothing new to them. They've been doing just that for years, and of course, from their usual practice of shifting from one party to another.

...

THE Movie and Television Review and Classification Board (MTRCB) has recently issued a stern warning to theater owners and film exhibitors against the screening of uncensored films.

The warning, of course, fell on deaf and defiant ears. Many exhibitors still continue to insert censored portions in so-called "bold" films or, in the case of provincial

exhibitors, adding the censored portions (a whole slew of them) to the main feature as a bonus to moviegoers, many of whom are children.

The MTRCB also warned theater owners to display only lobby stills duly approved by the board but a quick look around Cubao shows nearly pornographic pictures adorning theater lobbies.

Some exhibitors not bold enough to permanently display salacious movie ads, resort to runners and barkers who flash pictures of nude actors and actresses in titillating poses to passersby.

In the Cubao and Quiapo areas, the use of barkers and runners has become an industry. Perhaps the MTRCB should take a stroll along moviehouse row instead of merely issuing press releases to news desks and warnings to unscrupulous film exhibitors.

THE military has been consistently denying reports that Marcos-Ver loyalists are secretly forming an army in the Ilocos region despite the fact that most of these reports emanated from the AFP.

Our Fort Bonifacio informant tells us that while some of the reports have actually no basis in fact, a number of them are true and bears looking into.

Our informant also wants to warn the proper authorities about a piece of information in his possession: that the private army of Bongbong Marcos somewhere in the Ilocos has been beefed up by six light tanks.

He knows whereof he speaks: not he has G-2 connections in the military. Unless of course he is being fed information designed to be denied later on to defang the emergent press.

/9317

CSO: 4200/1121

PHILIPPINES

NORTHERN LUZON CHURCH-BASED GROUP DENIES MILITARY CHARGES

Cebu City VISAYAN HERALD in English 29 Apr 86 pp 1, 4

[Text] A church-based organization today denounced the new armed forces of the Philippines for using the "old human rights violations believed committed by the military.

The Luzon Secretariat for Social Action cited a news report quoting military intelligence as accusing certain member of a fact-finding mission as communists.

"We denounced the report as malicious and baseless," said, Catholic priest Fr Luciano Pili, executive secretary of the social action secretariat.

The letter was an offshoot of news report which identified a worker of the secretariat as among four New People's Army (NPA) elements who infiltrated a fact-finding mission sent to Kalinga-Apavao last month to investigate alleged violations of human rights.

In an official statement, the secretariat said the military allegation that one of its personnel, Benigno Valles, was an NPA infiltrator was a "wild claim intended to malign the names of human rights advocates."

/9274

CSO: 4200/1129

PHILIPPINES

BALWEG DISCUSSES BREAK WITH CPP, PLAN FOR CORDILLERAS

Manila MR. & MS. (Special Edition) in English 9-15 May 86 pp 17, 18

[Article by Roy S. De Guzman: "For the Cordilleras, Balweg Rebels Against Red Dictatorship"]

[Text]

FOR the Communist Party of the Philippines and its military arm, the New People's Army, the Cordilleras is like a soldier's morale.

Without it, one cannot win the war.

So when news about the fall-out in the area came trickling down to Manila, one can just imagine the curses muttered over Cordillera's loss.

Because in reality, they not only lost the most photographed, most interviewed and easily the most renowned rebel leader in the country, Fr. Conrado Balweg, SVD, is after all, only a "low-level cadre" in the dissident movement.

With the defection to the new Cordillera People's Liberation Army of the more-or-less 1,000-strong NPA contingent in the region, the CPP may have just lost the entire

national democratic revolution they have been waging since 1969.

CORDILLERA'S IMPORTANCE

In the basic Party document entitled "Philippine Society and Revolution", the Cordillera mountain ranges' importance has been explicitly cited. The author, Amado Guerrero — whom the military says is Jose Ma. Sison, chief CPP theoretician — stated that the terrain in the area is favorable to the launching of the strategic, final NPA offensive to cripple the cities and signal the triumphant entry of Filipino Red Fighters. Victory, which for them is to wrestle state control, will come shortly after.

"Amado Guerrero was wrong," Balweg tells this writer in an exclusive interview, the first he gave to a

member of the media after leaving the CPP and NPA. "The area here may be favorable (for the revolution) but the people are not indispensable. Definitely, I would not just sit here and watch them destroy centuries of struggle waged by the Cordillera people to guard against the intrusion of imperialists and prospective landlords."

The rebel priest, who from his announcement of formal affiliation with the NPA in 1979 has been involved in controversies of all sorts, recounted the plan laid out for the Cordilleras by the Marxist ideologues.

Serving as the CPP "central revolutionary base", the Cordillera region would have been the center of leading Communist cadres and an impenetrable rebel territory which the military cannot enter. The NPA "war arsenal" location, it should

have been the rebels' launching pad for the stereotypical Maoist plan of "encircling the cities from the countryside".

But the period between now and then — further set back by the Aquino revolution's success in toppling Marcos from power and in the installation of a relatively liberal democratic government — should be utilized in attracting the lower classes to throw their support for the revolutionary cause. This is vital in soliciting backing for the CPP strategic offensive thrust, and in isolating the "reactionaries" from the "proletariats".

REASONS FOR THE SPLIT

One reason being advanced by the CPLA founders as the primary reason for the "revolt" is the Communist Party's so-called political line. In resolving to follow the basic analysis of Guerrero that a semi-feudal, semi-colonial society remains to exist in the country today, the Cordillera NPA leaders tried to divide the numerous tribes in the area, into sectoral groupings so that class distinctions will arise. "What they don't understand is that here in Cordillera, no classes other than that of a unified tribe exists. This is a classless Cordillera society where all the people are oppressed by government laws contrary to their interests." He further explains that under Marcos' authoritarian era, the land in the region was deemed govern-

ment property because of a presidential directive alleging the Cordilleras is a forest reserve.

"There are no landlords here. The tribes own the land. The government has been trying to grab these from them," says Balweg. "Contrary to Mr. Guerrero's analysis, we in the Cordillera do not live under a feudal system. We live in a communal world."

Only too eager to please the higher-ups in the rebel hierarchy, CPP cadres would stop at nothing to "correct" the "localistic mistakes" being complained about by Balweg and his group.

"*Ikaw ba, Ka Ambo ay sumusunod sa mga patakaran ng higher organ?*" (Do you, Comrade Ambo, follow the orders of the higher party organ?) has come to be a typical superior's question when the rebellious rebel priest disputes the party directives. "Is this an Inquisition?" he answers back.

Debates will follow and eventually, the second and obviously more touchy reason for leaving the Communist ranks has surfaced: this time, regarding the party's so-called "dictatorship".

Balweg, the Abra native and pure-blood Cordillera Tinggian hero, will insist that he joined the party solely for the purpose of uplifting the discriminated Cordillerans' plight. "*Ako'y sumumpa dahil sa masa,*

hindi dahil sa partido" which is answered back by the college graduate, Manila-bred party leader: "The masses can commit a mistake; the Party is always right!" Balweg ends the argument by refusing to give up: "I would rather sacrifice the interests of the Party than that of the masses."

For this, he would be branded anti-Party and anti-organization.

This policy that "the party is always right" can only solicit a similar damning reaction from Balweg and his group. "This practice has been described as the party dictatorship over the masses and the party dictatorship over the army."

"Our members, the NPA fighters particularly and the revolutionary masses in our liberated areas of operation were never consulted," Balweg claimed. "As for me, this had always been the case ever since I joined the Party."

A recent example that bore the last presidential elections Balweg, Fr. Bruno Ortega, and other leading cadres in the Cordilleras were for participation. Having consulted the people in the many places they visited, the would-be CPLA founders came up with the conclusion that "if we will not participate in this election, the revolutionary movement will be isolated from the thick of the political fight." The Party, which already issued a statement favoring poll boycott, would not hear their arguments.

More recent examples are the government's call for a ceasefire in encounters and the NPA policy to launch more attacks to gain the leverage in the proposed forthcoming talks.

"We told them to heed the call of Cory Aquino. But they insisted on pushing through with a genocidal plan."

Disagreement in views naturally leads to a dissension in ranks. There was no other way for the CPLAers to go, but out of the rebel rank-and-file.

"If the Communists, the CPP particularly, will only have a correct analysis on the history of the Cordillera people, then I would believe it would succeed (with its revolution) but the reality is that at present, two conflicting lines of thought exist, and we simply believe theirs is an analysis which is not applicable to the Cordillera situation.

"They would even challenge us, sometimes, saying 'Are you sure you can win the war without us?' And we assure them that from the Spanish era, the Cordillera has never been conquered. They continue to struggle to maintain themselves as the collective masters of their own society. So what is there to doubt about?"

THE CPLA AND A NEW VISION

Perhaps, to make up for lost time and dirtied ideals in their former organization,

the CPLA has been trying to correct the Party's mistakes while they were involved in the CPP-led struggle for national liberation.

As soon as they formally declared their separation from the CPP-NPA (only seven remained with the party, the minority who ruled over the 1,000-strong Cordillera resistance force), elections were held. "For the first time, people were able to pour out their grievances and choose the officers who can lead them to the path of genuine liberation," said Ortega, who like Balweg, was elected to the 15-man military commission, the CPLA governing council. Others elected to the highest CPLA body were Ka Angat, or Moises Lingayo, a former military man; Ka Layug, or Mailed Molina, an ex-seminarian, and Ka Wanas, a young military officer. All five were instrumental in the CPLA's formation.

The CPLA Military Commission has called for a stop in its armed operations against the military in their areas "as we try to facilitate talks with the government". Balweg knows that in the rigid, hard-line Marxist's view, this position to negotiate with the government may be misinterpreted as "an act of surrender".

We want peace in the Cordillera, he says. But this is not surrender. "The laying down of arms is

immoral here in our land. Arms is a necessity in the Cordilleras in order that our people can defend their noble history. Cooperating with the government does not mean laying down of arms. Working under Cory's government will depend much on how the government will view the history of the Cordillera people."

The militant priest, who admits having been married is besieged by government efforts to return to "the fold of law".

Vice-President Salvador Laurel has formed a three-man committee to negotiate for Balweg's surrender. The President has given the go-signal to extend to him the names of two civilians who can negotiate with him regarding peace in his beloved land of the Cordilleras. Military vice-chief of staff Eduardo Ermita claims to have received "surrender feelers" from Balweg's group. Even the CPP-NPA has spread out word that he is going to surrender.

Balweg reiterates that even as he is after peace in Cordillera, he does not plan to surrender unless convinced that "there should be no more reason for a revolution".

He snubs Laurel's group by answering that "the issue is not surrender but the justness of one's political stand" and declaring that he

would only negotiate if the military is pulled out of the Northern Luzon mountain ranges.

He said Cory's message is "more welcome" than Laurel's, whom he questioned as having a bleak political record in service of his people. He plans to meet Aquino's emissary by the end of this month.

"I am optimistic that peace will reign in Cordillera, otherwise, what we have been fighting for all these years will amount to nothing. I hope we succeed in this effort."

Balweg foresees the creation of a National Democratic Party which can be the voice of several federal state-advocates like the CPLA. He was stunned when informed that Jose Ma. Sison was forming just the same party. He said this would definitely be very different from that of Joma's.

For he still hopes that the voice of the Cordillera

people, no matter how puny, can reverberate "around the world"; that resistance to the idea, no matter how strong, can be mothballed by reason, not the reckless use of force; and that justice, no matter if delayed, can be gained to end decades of hopeless violence.

He knows that this is "a life-long task" but he goes on, knowing that his small contribution to the plight of his own people is better than continuing with a cause that is headed for a separate direction.

And he airs a plea to his former comrades in the movement: "We need to have a change in outlook, in how we view the world around us. This could mean an overhaul of our many positions on a given subject. It would be quite painful, but a necessary step. The Filipino people deserve nothing less. We need this not to gain control, or to have a monopoly of the things that we're involved

in. We need this just to survive."

The Christian rebel-turned folk hero — and suddenly the rebel within the rebels' fold may be having difficulty as the leading architect of a unique people's struggle, but looking at him atop the legendary mountains of his own place and time, there seems to be a relative peace inside of him, not at all like a man condemned.

Does he not fear for his safety, now that he is being hounded by the military, and possibly in the near future, by the NPA? "When I joined the movement, I was ready to die for the cause I believed in. Nothing has changed inside me."

And he walks with his armalite rifle, which is both pillow and defense for the night, on to his makeshift bed and the hearty embrace of a people lost in the twilight of the fight but are now awakening in the dawn of a new struggle. MM

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CSO: 4200/1121

PHILIPPINES

SOUTH COTABATO GOVERNOR WOOES NPA, MNLF TO TALKS

Quezon City ANG PAHAYAGANG MALAYA in English 4 May 86 p 16

[Article by Edwin Mercurio]

[Text]

KORONADAL - South Cotabato Gov. Ismael Sueno has asked RUC XII Southern Command chief Brig. Gen. Rodrigo Gutang to call off military operations in Ned, Lake Sebu in line with the proposed dialog between the provincial government and rebel elements of the Moro National Liberation Front (MNLF) and the New People's Army (NPA).

The move to halt military operations in the area is believed to bring into the conference table NPA and MNLF leaders who signified their desire to talk about ceasefire agreement once certain conditions are met.

Ned, which is situated along the boundary of South Cotabato and Sultan Kudarat, is an upland community where Muslim rebels and the New People's Army were able to establish a foothold. The area, encircled from both sides by mountainous terrain, is thickly forested.

Reliable sources disclosed that the NPA and the MNLF rebels appear to have adopted a "modus vivendi" in this area.

Military elements operating in the hinterlands of Ned belong to the Philippine Army's 38 IB which falls under the jurisdiction of Southcom chief Brig. Gen. Rodrigo Gutang. The request was also brought to the attention of Brig. Gen. Jose Magno of RUC 9 who called a military briefing here over the weekend.

Government peace negotiators have been dispatched to the area for preliminary talks with rebel leaders.

If the peace talks succeed, the provincial government would lay down plans for the immediate rehabilitation of the rebel returnees. A multi-agency reconciliation and Development Task Force (MARDTAF) whose members come from Church, government, military and civic groups, has been formed early this month, to assist in the rehabilitation and resettlement of rebel returnees.

MARDTAF calls its program "Balik Kapatid". Considered to be an innovative approach adopted by various governmental agencies, the religious and the citizenry, the organization's principal aim is to

bring peace into the province by persuading those fighting in the hills to take advantage of the openarms policy of the new administration.

Recipients of the "Balik Kapatid" program will be given farm lots and will be amply assisted on their livelihood, health and educational needs.

Governor Sueno told *Malaya* that he has received numerous letters, and even tape recorded messages of NPA and the MNLF commanders signifying their intentions to dialogue with the new administration. Political observers here credit Sueno's performance as opposition leader and former Koronadal mayor to the positive response of the rebels to the peace initiative of the government.

Among those who expressed their desire to discuss the terms of the ceasefire were five Moro Islamic Liberation Front (MILF)-commanders Asidil Aguilar, Tawan Tawan, Tazok, Aguila and Dennis. The group belongs to the Sakmat faction and operates in the South Cotabato and Sultan Kudarat provinces.

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CSO: 4200/1121

PHILIPPINES

DURANO SURRENDERS 22 'ASSORTED FIREARMS'

Cebu City VISAYAN HERALD in English 20 Apr 86 pp 1, 4

[Text] Former Congressman Ramon Durano Sr of Danao city yesterday surrendered to military authorities twenty two assorted firearms.

The firearms which consisted of handguns and highpowered arms like armalites, assault rifles and AK-47 were turned over to newly designated Recon Seven Commander Col Jose Santos.

Durano assured Col Santos of his total support to the military's drive against loose firearms.

The former congressman at the same time vowed to cooperate fully with the new government of President Corazon Aquino.

Earlier, the political kingpin of Cebu declared he was retiring from politics and would concentrate on serving God. He made this statement few days after the downfall of his close friend, Mr Marcos.

Durano was one of the strong critics of President Aquino when the latter was still a candidate for president. The old man from Danao often labelled the lady president in his speeches as advocate of communism.

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PHILIPPINES

REPORTAGE ON DIMAPORO ARMS 'SURRENDER' IN MINDANAO

'Vintage' Firearms Surrendered

HK101217 Hong Kong; AFP in English 1210 GMT 10 Jun 86

[Text] Binidayan, Philippines, June 10 (AFP)--A feared Moslem warlord ally of deposed president Ferdinand Marcos Tuesday took what he described as a step towards peace by surrendering to the military 87 mostly vintage unlicensed firearms here, eyewitnesses said.

Eight high-powered rifles out of the total surrendered by Ali Dimaporo were promptly lost while the military transported them to nearby Marawi City, military sources said. They could not explain the incident.

The arms handover took place in this southern Philippines hometown of Mr Dimaporo, who has been repeatedly warned by the military command to surrender over a thousand unlicensed firearms.

Mr Dimaporo, 68, said he hoped his surrender of the firearms would be the start of peace in the troubled areas.

Armed forces chief General Fidel Ramos has said Mr Dimaporo was among the warlord allies of Mr Marcos who were recipients of hundreds of high-powered firearms prior to February's presidential election.

The results of the election were disputed sparking a popular uprising which toppled Mr Marcos and replaced him with Corason Aquino.

Sixty-four of the surrendered rifles were garands, eight carbines and two 9-mm greaseguns, all of World War II vintage, four Enfields and Springfield of World War I variety, a grenade launcher, three armalite rifles, and five "baby" armalites.

Only 40 of the surrendered arms were deemed still serviceable by the military.

"There are still more firearms in his possession, but the fact that he has surrendered some of them is a good sign because it means Ali Dimaporo is amenable to surrendering firearms," Brigadier General Mariano Adalem told reporters.

Mr Dinaporo denied the military's charge that he is a political warlord, and said the bulk of the firearms attributed to him were actually in the hands of cattle rustlers and government [word indistinct] in the area.

Official Hits Failure To Disarm 'Warlords'

HK100238 Manila Far East Broadcasting Company in English 2300 GMT 16 Jun 86

[Text] Two political warlords in Mindanao yesterday [10 June] turned over to the military 127 high-powered firearms given them during the Marcos regime. Ousted Lanao del Sur Governor Ali Dinaporo surrendered 77 high-powered guns while his younger brother Naga, former mayor of Karamatan, Lanao del Norte, yielded 50 others.

The former governor's firearms, reportedly supplied by former Chief of Staff General Fabian Ver, were accepted by Brigadier General Mariano Adalen, (?Army's) 4th Infantry Division commander. Major Lito Castellano, one of Gen Adalen's officers, received the former mayor's guns. Although the two Lanaos are within the jurisdiction of Central Mindanao Regional Unified Commander Brig Gen Rodrigo Gutang, the Dinaporos said they would not turn their runs over to him, saying he is their political opponent and enemy.

Meanwhile, a senior official yesterday denounced the military for their failure to dismantle the private armies of political warlords in Cebu Province. Local Government Deputy Minister Nita Corpuz-Daluz said armed men and goons of former Cebu Congressman Ramon Durano have continued to roam the province despite President Aquino's order to AFP [Armed Forces of the Philippines] chief Gen Fidel Ramos to disband private armies. Daluz said Durano's political clout, especially in Danao City, remains visible and untouchable. She said it seems the AFP and the local PC-INP [Philippine Constabulary-Integrated National Police] command are afraid to dismantle the private armies of the Duranos and several prominent political families in Cebu.

Dinaporo Threatens General

HK110516 Hong Kong AFP in English 0501 GMT 11 Jun 86

[Text] Manila, Jun 11 (AFP)--A Moslem warlord in southern Philippines has vowed to kill a military general if the official tries to disarm him and his followers, the MALAYA newspaper said here Wednesday.

"Let him operate, so we can finish him off," Ali Dinaporo, one of the most powerful supporters of deposed President Ferdinand Marcos, reportedly said in an interview at his fortified home in Binidayan Town, Lanao del Sur Province.

Mr. Dinaporo aired the threat against Brigadier-General Rodrigo Gutang, the military commander of the Moslem-dominated region where Mr. Dinaporo has been the most dominant political figure since the mid-1970's.

The general last month carried out President Corazon Aquino's order ousting Mr. Dimaporo as governor of Lanao del Sur as part of a policy to replace pro-Marcos local officials whose terms have expired.

Local polls set for May have been postponed until a new constitution currently being drafted is approved by voters.

The warlord said he was only waiting for Brig. Gen. Gutang to come "so I can kill him."

The military has threatened to attack Mr. Dimaporo if he refuses to surrender hundreds of high-powered firearms given to him by Mr. Marcos before February's revolt in Manila swept Mrs. Aquino to power.

Mr. Dimaporo has so far surrendered only the ageing rifles in his armory.

MALAYA said the road leading to Mr. Dimaporo's two-storey home in Binidayan was lined by foxholes and that more than 100 heavily-armed men, including some in military uniform, were protecting him.

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CSO: 4200/1128

PHILIPPINES

MNLF CAMP VISITOR REPORTS FIREARMS

Quezon City ANG PAHAYAGANG MALAYA in English 9 May 86 pp 1, 6

[Article by Manny Velasco]

[Excerpt]

Deep in the Lanao jungles, Muslim rebel commander Mohammad Jumah reads instructions from Middle East-based leader Nur Misuari to forget the 1976 Tripoli Agreement and await developments on a new agreement with the Cory Aquino government.

But the instructions tell regional rebel commanders to adopt a "waiting but ready" stance, warning them as well against laying down their arms.

Misuari is also alerting his urban guerillas to "stand by and be ready to act swiftly... to demonstrate that any form of betrayal will be met with equivalent and corollary force."

An earlier hand-written memo from Misuari, sent before the Feb. 7 elections, informed field commanders of an "understanding" reached with Benigno Aquino's brother Butz that new negotiations for peace and "genuine autonomy" would be worked out if the Aquino-Laurel team came to power.

But the recent Misuari instructions remind field commanders that this agreement "does not mean an end to our struggle, rather, it must be taken to mean a new phase of struggle..."

I found Commander Jumah, a ranking political and military MNLF officer, overseeing training and the oath-taking of new recruits at the end of an exhausting three-hour climb up the mountains of Lanao, 800 kilometers south of Manila.

Tired and testy I was, because the guides Jumah had sent to escort me had insisted on blind-folding me during the nervous, if anxious, ride from the lake-shore city of Marawi to the foot of the mountain.

But his warm welcome erased the discomfort of getting there.

"Assalamu alaikum," the tall and stocky Jumah took my hand in a firm shake, followed by an inward swing of his palm to his breast.

This is a sign, including the Arabic greeting meaning "Peace be with you" among Maranaos and other Filipino Muslims, that a visitor is heartily welcomed.

Standing around him in a small upland hut were 20 rebel fighters all holding Russian-made AK-47 rifles and some Lanao-made grenade launchers.

Jumah, I would learn, was a member of the original 90 MNLF recruits trained in Sabah in the early 70s.

The cordial atmosphere developed as I showed interest in their weaponry.

The commander demonstrated how the guns were handled. He told me that they usually get their guns from "friendly sympathetic countries," passing through the country's hardly guarded Southern back door.

However, he boasted they were also manufacturing their own guns, like grenade-launchers, to augment those he said they were able to capture from the military.

He also revealed that some of their members were being sent to foreign countries to study gun-making.

It is "training season" in the MNLF-dominated hills of Lanao, which command a good sweep of the Celebes Sea due south.

"We are optimistic about President Aquino's new leadership but we cannot simply lay down our arms because anything might still

happen..." he said, looking his visitor in the eye.

"We hope and pray to Allah that President Aquino will be able to maintain her sincerity and honor the words and promise of her late husband to respect the legitimate demands of our people," he added.

In general, their demands are still the same as those written in the early 1940s by then Sultan of Marawi, Kamari Alanyo Alonto.

Alonto had said, "The Moro people want to set their house in order but the very key to their own house is not in their possession.

"Perhaps the Moros may be locked in or lock out because the key to their own door is not in their hands.

"This is indeed a sad tragedy."

Worse, people may govern an area when the rulers cannot the least command the language of the residents.

Jumah paused, apparently allowing the message to sink.

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CSO: 4200/1121

PHILIPPINES

CAGAYAN NPA AIR SENTIMENTS TO CAMP VISITOR

Quezon City ANG PAHAYAGANG MALAYA in English 13 May 86 pp 1, 6

[Article by Federico Cleto—"Inside the NPA Camp: Fighting the Warlords"]

[Text]

I entered the Cagayan Valley rebel "front" with rubbery knees and a pale face. My apprehension vanished, however, when I was greeted by the sight of an eight-year-old boy cuddling an armalite rifle as he traded pleasant jokes with his battle-scarred "kakaduas."

"Kakadua," meaning *kasama* or comrade, is the way the Cagayan-based members of the rebel New People's Army address themselves. They refer to their rival soldiers of the Armed Forces of the Philippines as "kabasur," meaning "hated ones."

Before me were two squads of guerilla soldiers, a handful of women fighters among them. I would learn that more than 95 per cent of the Cagayan NPA regular guerilla force were peasants, most of them in the 18 to 19 age range. The warm reception they gave me had me wondering if they were really part of the group that killed 80 regular army troopers in a span of 10 days, from April 19 to 30. They claimed only two casualties on their side during that period.

A scene vividly described to me had happened last April 30, in Iringan, Allacapan, about a week before my visit. The pro-

tagonists - 12 NPA commandos against 14 soldiers of the 17th Mechanized Infantry Battalion (MIB) - clashed for almost three hours along the main highway. When the smoke cleared, as the cliché goes, the 14 soldiers lay dead. Thirty civilians (contrary to initial reports that they were NPA regulars) were mowed down by helicopter gunship fire.

But there was a dry laugh when one of the rebels recalled another recent clash during which the commanding officer, before firing the last round and ordering the retreat, shouted out: "Mga iniwan ng mga minamahal, hold the line!" Their explanation for this is laced with bitterness. They told me that they had heard that the wives and children left behind by rebels were often arrested by government soldiers and used as hostages. Sometimes they are raped and prostituted by soldiers inside the camps, they charged. Civilian too, they claimed, were not spared from similar atrocities. The NPAs narrated untold incidents of forced evacuation, hamletting, harassment, rape, salvaging of innocent civilians and the slaughter and looting of livestock in the barrios over the years.

I asked an NPA amazon: "Aren't you people bothered by so much bloodshed?"

No, she said, because "killing the 'kabasur' means justice for the masses." I was captivated by her engaging disposition and by the fact that she too came from the middle class but somehow emerged from the street demonstrations of 1970-71 in Manila - called the First Quarter Storm - ready for the hills.

I asked her: "Isn't Cory Aquino's call for reconciliation and ceasefire something worth looking forward to?"

She smiled and said: "They say Cory is sincere in her pronouncements and we want to know if she really is. But we do not know her much. While we have a new president, military harassment continues and our poverty remains. The dreaded mayors, barangay captains and warlords are still here."

As she went on articulating the sentiments of the rank-and-file guerillas, I confess that I couldn't help thinking: She is lovely, her personality, conviction and all. My "drift," however, was interrupted by an AK assault rifle-wielding NPA, and for a while, I thought he had read my mind and I was a goner. He asked me politely if I wanted to take a bath with them (I really needed one after walking for hours) but I declined because I was afraid to be caught with my pants down should fighting suddenly erupt.

I noticed a wounded NPA resting under a lean-to and I decided to in-

interview him. He smiled and I greeted him with a question: "How did your first 'killing' affect you?"

He replied in Ilokano that it did not bother him "because he did it for a noble cause."

I asked him "Aren't you afraid to die?"

He grinned and said softly, "We do not know the meaning of fear. We do not run from combat even if it means certain death." He surprised me with his claim that the NPAs consider their adversaries seriously and respect the capabilities of AFP officers as superb tacticians.

"The other side (the military) sustain more casualties because troops in combat often breach military discipline when assailed by fear and indecision," he said.

"But is a ceasefire possible?" I asked him.

He was not sure, he said, because "Juan Ponce" Enrile cannot be trusted."

"I enrile wants to escalate the fighting but how can he hope to wipe us out now when he failed to do so when we were still a fledgling army," the wounded rebel said.

I felt unable to comprehend his distrust and contempt for the defense minister, perhaps because I heard Enrile repeatedly stress nationalism and reconciliation during and after the February 'revolution.' I heard more gripes the following day when I finally met the Cagayan Valley NPA Regional Operational Command chief in a remote barrio.

The communist party cadre, who could easily pass for a university professor, charged Enrile of having a dual personality: He is admonishing and threatening in Cagayan but sweet-talking before the national television audience. "Who doesn't want peace," he asked me as he elaborated that the ROC-Cagayan will support any agreement which the National Democratic Front will conclude with the Cory government.

All of a sudden, I found myself surrounded by guerrillas who were eager to speak their minds. "Cory need not demand the (communist) party's participation in the negotiations; the NDF has the political personality as a preparatory coalition government to participate in such talks," explained one.

"Some areas in Cagayan enjoyed relative peace when the so-called 'Cagayan 100' led by Col. Rodolfo Aguinaldo left for Manila in February to support Enrile. But they came back with yellow ribbons tied around the barrels of their guns only to re-

sume harassment," butted in another youthful rebel.

An FQS veteran, the ROC leader elaborated: "It is not true that the AFP has started using the Tora-Tora fighter planes only this year. They have been using them for indiscriminate strafing of targets almost weekly."

Mass hamletting and the forced evacuation of civilians have been going on since 1979, he said and added that even during the so-called "revolution" in February, forced eviction of civilians in Claveria, Sanchez, Pamplona, Cagayan, up to some parts of Apayan, went on.

"Around 300 barrios have been hamletted so far," he reported. "Now, they have unleashed 'Oplan Paganus' to force the civilians out of Sto. Nino and other barrios along the Cagayan river."

I felt a bit dizzy having to grapple with so much detailed charges all at the same time. As I smugly my problem, he summed up: "We are open for negotiations but the problem is, we believe an inner circle within the Cabinet has been feeding Cory with misleading information about us."

Their voices trailed in my head as I retired to catch some sleep. But I found it impossible to sleep with the mosquitoes behaving like tora-toras as they hit me indiscriminately. Also, I may have been overwhelmed by my first direct contact with the characters of this unfolding human drama.

I had gathered that the Cagayan NPA started when some cadres from hard-pressed Isabela spilled into the border towns of Flora, Baguio and Gonzaga (the hometown of Enrile). That was in the early 70s when the NPA has not yet outgrown Mao Tse Tung's wave-upon-wave approach in area expansion. The influence of the NPA radiated from its base towns to the neighboring areas. By 1978, the NPAs leapfrogged from the border towns to the western towns of Rizal, Lasun, Plat and others. That triggered the pealing of government alarm bells and the military began the forced evacuation of civilians from the interior towns.

Their main objective: mass base denial for the dissidents. The civilians scampered in different directions; some went deeper into the Cordilleras while the others, to the lowland barrios. By 1982, the AFP launched "Oplan Katatagan" (winning the

hearts and minds of the masses) which had government soldiers providing artesian wells and civic services to hamletted civilians.

However, forced evacuation continued in the towns of Alcala, Baguio, Gonzaga, Rizal, Lasun, Flora Pudtol-Luna (along the Apayan border). By 1984, the government troops succeeded only in forcing the NPA down from the hills, hopefully to where they could better use their awesome military hardware against them. But the NPA adapted surprisingly well. Forced against the wall, they changed their approach by combining "wave-upon-wave" with "leapfrogging," the commander explained. They scattered their forces into seven "fronts" with regular guerrilla units in each. They formed a company-sized "main guerrilla unit" and developed an information gathering network.

Having fully adapted itself to the peculiarities of the lowland, the main guerrilla unit began combing the valley for "enemy" troops.

The main unit can lure a platoon of soldiers into one of the fronts then cut it into pieces with the assistance of the front guerrillas. They can also force the military to spread itself thin while the different "fronts" initiate simultaneous military offensives. The main guerrilla unit can pick its prey at will. My review of historical and strategic notes, however, was interrupted by a hush that suddenly settled inside the rebel base. Lights went off and silence hung heavily in the air. I trembled when I heard the metallic sounds of M16s and AKs as these were being readied for firing. I could hear the hurried footsteps running in different directions to investigate a strange noise heard earlier. But an AK-wielding "kakadua" stood beside and, as if reading my mind, he smiled at me reassuringly. He was an inch shorter than me but, at that time, he seemed to stand some ten feet tall as we waited tensely. The alert was soon lifted but I still could not sleep.

Three days later I trekked out of the Cagayan Valley rebel ranks and flagged a bus for Manila. As the rolling Cagayan landscape whizzed past me, I could still sense the shadows of the "kakadua" and their "kabuners" in that dangerous game of death and destruction that cannot but touch us all. I did not sleep on the bus until it was well out of the Cagayan boundary.

PHILIPPINES

FURTHER DETAILS ON NPA PURGE AGAINST SUSPECTED INFILTRATORS

Manila MANILA BULLETIN in English 13 May 86 pp 1, 16

[Article by Jose de Vera]

[Text]

The death toll has risen from 130 to 154 in the executions ordered by the New People's Army (NPA) on its men in the Misamis-Bukidnon-Agusan area, following the exhumation of 17 more bodies and discovery of seven others in Butuan City.

This was reported yesterday to Gen. Fidel V. Ramos, Armed Forces chief of staff, by Col. Renato Palma, commander of the 2nd Infantry Brigade stationed at Bancasi, Butuan City.

The discovery of the new bodies, according to Palma, was made after four other NPAs scheduled for execution were rescued by troopers when their "executioners" left upon seeing the military patrol.

Those rescued were identified as:

Leonedes Morales, alias "Komander" Doris, lecturer of the semi-legal team or cadre operating in Agusan del Sur who was held captive by the NPAs since last

November, on suspicion of being a government collaborator.

Arsenio Avila, alias "komander" Gladys, former deputy secretary of the Regional Labor of the Northeastern Mindanao Revolutionary Party Committee (NEMRPC) who was suspected of having covert connection with government agencies anti-insurgency drive.

Flaviano Daragusa, alias Anu, a CPP labor organizer of Surigao City, and Edilberto Cabahug, alias "Ike" of NEMRPC. Both were suspected of being government deep-penetration agents. Daragusa was held captive since October 1985, while Cabahug was only taken in last January.

The four, according to official reports submitted to Gen. Fidel V. Ramos showed that fratricidal strife has hit the rebel ranks when CPP-NPA hardcore members launched a purge in their own ranks of those suspected of being government agents and of

dubious political persuasions.

With the assistance of NPA rebel escapees and the four rescued NPAs, troopers were led to common burial sites of earlier "execution victims."

Reports reaching Gen. Ramos said that 150 bodies of "executed" NPAs were exhumed, 70 in Misamis Oriental and 30 each in Agusan del Norte and Bukidnon.

Daragusa, a CPP labor organizer of Surigao City, confirmed reports that the Communist Party of the Philippines (CPP), through its various militant front organizations, is behind a massive move to create labor unrest, including strikes, to destabilize the Aquino government.

The "Welga ng Bayan" in the Davao provinces late last year and the "illegal strike" that crippled the operation in Luzon operations of the Philippine Rabbit Bus Lines were reportedly cited as being "orchestrated" by the CPP.

/9274

CSO: 4200/1129

1 July 1986

PHILIPPINES

NPA DISOWNS BICOL EXTORTION ACTIVITIES

Manila MANILA BULLETIN in English 13 May 86 p 5

[Article by Precy M. Yadan]

[Text]

NAGA CITY — The New People's Army (NPA) command in Camarines Sur vowed more reprisals against what they called a "para-military syndicate" using the name of the NPAs in their black-mail, robbery, holdup, forced taxation, and extortion.

This warning was relayed by an NPA spokesman to *Handiong*, leading local weekly here, which run the story as its headline over the weekend.

The FNA spokesman said the rebel's com-

mand was forced to come out against the activities of the para-military syndicate because of the use by these misguided elements of the name of the NPA in their illegal activities.

The NPA spokesman said the para-military men are former NPAs who had joined the military establishment, as well as some CHDFs and some military men usually AWOL and members of the so-called lost command.

These men, the NPA spokesman said, are usually backed by milit-

ary officials who supply them with firearms and ammunition and vehicles in return for a part of their loot.

The NPA spokesman denounced an alleged demand of P250,000 for the return of the fishing boat "Eric" owned by Arsenio de Gurman. The boat had been hijacked by armed men who claimed to be NPAs last Dec. 20, 1985, off the Bicol river estuary in San Miguel Bay.

The boat was towed to a coastal barangay near Mercedes, Camarines Norte, where the

alleged NPAs awaited for ransom negotiations. When the boat owner could not come up with P250,000, the boat was stripped of its equipment and supplies worth more than P300,000.

A month later, the armed ban offered to return all the equipment and supplies provided the fishing boat owner paid P50,000. The owner came up with the P50,000, but only a small portion of the equipment and supplies was returned.

Subsequently, another group also claiming to be an NPA unit operating in Camarines Sur, offered to go after the hijackers for P340,000, the report said.

Another example cited was the reported demand on landowners in the Partido area of Camarines Sur to give 30 percent of their produce to the NPAs, the NPA spokesman said it does not make such demand.

The NPA spokesman said their group has its own sources of funds.

/9274

CSO: 4200/1129

PHILIPPINES

ALLIANCE PROTESTS CEASE-FIRE NEGOTIATIONS WITH CPP

HK090525 Manila MANILA BULLETIN in English 7 Jun 86 pp 1, 13

[Text] The Pilipino Alliance Toward the Rule of Law (PATROL) which claims a nationwide membership of 52 organizations decried yesterday the scheduled ceasefire talks between the Aquino government and the Communist Party of the Philippines (CPP) as a "virtual recognition by the government that the CPP is a belligerent force with substantial control over a substantial territory of the Philippines."

Speaking through former Interim Batasan member Antonio R. Tupax, its secretary general, PATROL said that "by taking the initiative of inviting the CPP to the negotiating table, the Aquino government has practically dignified the CPP to the level of the Palestinian Liberation Organization."

By a single joyless historical blunder, Mrs Aquino has given the CPP international status with access to international forums like the Amnesty International and the International Commission of Human Rights," Tupax said.

The former Agusan del Norte solon also said that at the moment CPP starts negotiating with the government panel, the CPP-NPA would cease to be a mere guerrilla organization.

The CPP-Aquino government negotiation will immediately justify the claim of the New People's Army (NPA) that it is a regular army of contending organization claiming legitimate administrative and governmental ascendancy in the Philippines and over the Filipino people, he added.

"It is naive to think that a Marxist-Leninist organization like the CPP-NPA will abandon armed struggle," he said.

PATROL is a newly organized alliance of the League of Provincial Governors, League of City Mayors, League of Municipal Mayors, members of the 1972 Con-Con [Constitutional Commission], members of the defunct Congress, members of the INP [Integrated Bar of the Philippines], members of the Batasan Pambansa, the League of Self-Supporting Students, the Philippine Youth Party and civic, religious, professional and social sectors.

/6662

CSO: 4200/1127

PHILIPPINES

COAST GUARD VOICES ALARM, STRENGTHENS FIGHT AGAINST PIRACY

Manila MANILA BULLETIN in English 4 May 86 pp 1, 12

[Text]

Coast Guard authorities expressed alarm yesterday over the increasing piracy incidents in the South and in Manila Bay.

During the past two months alone, seven piracy incidents were recorded by the military compared to only two cases over the same period last year.

Capt. Carlito Cunanan, Coast Guard commandant, said pirates are back to their operations "but this time, they are more aggressive."

Cunanan cited a case in Sarangani Bay in the South where pirates attacked a yacht and robbed its passengers of their personal belongings.

Cunanan said the Coast Guard will conduct all-out patrol op-

erations in bay areas where piracy is most rampant.

He ordered the beefing-up of Coast Guard personnel and resources involved in anti-piracy drive to protect fishermen, sea travellers, pumpboats, ships, yachts, and other craft from being attacked by lawless elements at sea.

Cunanan said all Coast Guard stations

will adopt tougher measures against pirates and maximize efforts to arrest them immediately.

He disclosed that the military will closely monitor activities of seacrafts disguising as ordinary fishing boats in piracy prone areas such as General Santos City, Zamboanga, Cotabato, Davao, Masbate, and Manila Bay.

He said security patrol against armed groups harassing fishermen may be provided by the Coast Guard if sought.

Meanwhile, a separate investigating body has been created to look into the sinking of m/v Doña Josefina last April 21.

Coast Guard officials said the body would recheck the actual number of passengers and cargoes loaded at the time the ship sank to determine whether it was overloaded.

They explained that the investigating body will be different from the board of marine inquiry because it will come out with its own findings rather than mere testimonies given by the ship's passengers and captain.

PHILIPPINES

BRIEFS

AIRCRAFT SALE APPROVED--Manila International Airport--Forty-four aircraft, including one F-28 twin-engine jet and two helicopters detailed as presidential aircrafts of the Philippine Air Forces' 700th Wing, valued at P268 million are up for sale to generate more funds for the government. General Services Minister Victor Ziga said President Corazon Aquino approved the sale of the aircrafts which were purchased during the administration of deposed President Marcos. Ziga and Bureau of Air Transportation Director Victorino Palpal-Latoc inspected yesterday the aircrafts at their hangars at the Manila Domestic airport. Ziga said that some P268 million can be generated through the sales of 30 fixed-wing aircrafts and 10 helicopters. Ziga said that the sale of a presidential plane purchased by the Central Bank in 1983 and two powerful helicopters which are on detail with the presidential aircrafts and manned by the Philippine Air Force 700th Wing will be reviewed. He said that local and foreign businessmen have expressed their interest to purchase the aircraft. Capt. Rolando Moscardo, president of Western Pacific here, said that a group of U.S. businessmen are willing to pay \$25 million anytime for some of the aircraft. [Article by Louie Perez] [Text] [Manila MANILA BULLETIN in English 7 Jun 86 p 10 HK] /6662

BENEDICTO PLANTATIONS SEQUESTERED--The Presidential Commission on Good Government (PCGG) has ordered sequestration of at least 14 plantations belonging to former Philippine Sugar Commission Chairman Roberto S. Benedicto in Negros Occidental. It also intends to sequester similar properties owned by Eduardo Cojuangco and Mariano Marcos III, a nephew of deposed President Marcos, on the island [Negros]. [Excerpt] [Quezon City BUSINESS DAY in English 9 Jun 86 p 7 HK] /6662

MILITIAMEN KILL MOROS--Lake Cebu, South Cotabato--Two Bangsa Moro revolutionary commanders and three of their men were killed in a three-hour fierce gunbattle Sunday with militiamen in the hinterlands of this upper valley town. South Cotabato PC [Philippine Constabulary] Commander Lt. Col. Dominador Resos said the slain rebels were commander Tawan-Tawan and a certain Ting. The three other slain secessionist rebels were still unidentified. No casualties were reported on the militia side. [Excerpt] [Manila THE NEW PHILIPPINES DAILY EXPRESS in English 10 Jun 86 pp 1, 7 HK] /6662

ARMED MEN ROB, BURN BUS--Manila, June 10 (AFP)--Armed men set a bus alight in the southern island of Mindanao after robbing the passengers, the state-run PHILIPPINE NEWS AGENCY (PNA) said here Tuesday. A group of armed men flagged down the bus along a road near Magdum town Friday and divested the passengers of their cash and other belongings after announcing that there were "terrorists," PNA said. They then poured gasoline on the vehicle and set it on fire before fleeing with their loot. Military spokesmen here could not be reached for comment. Magdum is in the south of Mindanao, a large southern island which is the current focus of communist and Moslem separatist insurgencies. [Text] [Hong Kong AFP in English 1430 GMT 10 Jun 86 HK]

23 KILLED IN NPA ATTACK--According to a top military official, 23 persons were killed when communist rebels attacked 2 towns in Southern Cotabato. According to deputy provincial commander Colonel (Emilio Farolin), the New People's Army attacked the two barangays of (Pagasa) and [word indistinct] in (Anabel), Cotabato at the same time. Many residents in the neighboring barangays were injured in the exchange of fire between the NPA and the Civilian Home Defense Forces headed by former army sergeant (Briccio Sotto). (Farolin) said the casualties included 7 civilians, militiamen and 10 rebels. The rebels carried out the assault after 17 of their comrades were killed by soldiers in the town of Maasin, south Cotabato. [Text] [Quezon City Radyo ng Bayan in Tagalog 0300 GMT 3 Jun 86 HK] /6662

GOVERNMENT TO SELL AIRCRAFT--The government will sell some 300 aircraft and 10 helicopters owned by government corporations. The measure is expected to raise 120 million pesos for the country. The aircraft were found at the Manila Domestic Airport after the fall of the Marcos regime. [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 6 Jun 86 HK] /6662

CSO: 4211/57

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

PHAM HUNG SPEAKS AT HANOI SECURITY CONFERENCE

BK091025 Hanoi NHAN DAN in Vietnamese 23 May 86 pp 3, 4

/Speech by CPV Political Bureau Member Pham Hung at 19 May Hanoi conference of Young Security Combatants/

/Text/ President Ho Chi Minh was a great leader of our party and nation and an outstanding revolutionary combatant of the international communist and workers movement.

Our beloved Uncle Ho's lifetime activities together with the undertaking of our people and party constitute an everlasting epic of the Vietnamese revolution. What a cause for pride when we remember our beloved Uncle Ho, the teacher of the Vietnamese revolution and the founder of our party and the first worker-peasant state in Southeast Asia. He led our people through countless ordeals from the August Revolution to the two sacred resistance struggles against France and the United States, laying the firm ground for all the victories of our nation. His merits will shine forever in the revolutionary cause of all our party and people.

During his life, he gave all his kindness, generosity, and warm affection to the people, children, boys, girls, and old people in both the north and south and in highlands and lowlands. When he departed, he still left behind all his love for the party, troops, children, and youths.

Our beloved Uncle Ho was regularly teaching and educating the people's public security force. His six teachings to the cadres and combatants of the people's public security force is a priceless treasure. Studying and implementing scrupulously his six teachings with boundless gratitude and love, the cadres and combatants of the people's public security force resolve to follow his path and continue his great undertaking. Learning and carrying out his six teachings, we will feel that he is always by our side to lead us. President Ho Chi Minh lives forever in our country and our revolutionary undertaking!

Today, we commemorate great President Ho Chi Minh's 96th birthday. With gratitude, we will remember him forever and his valuable teachings to the people's public security force. Today, in unison with the profound sympathy of all our party members, troops, and people for beloved Uncle Ho, the young security force combatants from the four major cities of Hanoi, Haiphong, Ho Chi Minh, and

Quang Nam-Da Nang reviewed the emulation results in the past 2 years under the movement "to learn, be imbued with, and scrupulously implement beloved Uncle Ho's six teachings to the people's public security force" which was launched by the Ministry of Interior.

I would like to warmly welcome all the leading comrades of Hanoi municipality and all the delegates from various public organs, mass organizations, military and public security units at the central level as well as those from the four major cities present at today's significant conference.

After 2 years of emulating in studying and implementing our Uncle's teachings, the public security youths of our four cities have achieved many very encouraging results. Generally speaking, youth union members of the public security force have developed their role as a shock force in various units and localities and have created for themselves a relatively profound change in their knowledge and their theoretical and practical concepts about our Uncle's six teachings. On this basis, they have applied scrupulously our Uncle's six teachings in their work and combat. Uncle Ho's six teachings must be translated into the way of thinking, lifestyle, and way of action of every youth union member in the people's public security force.

We note with great joy that over the past 2 years the emulation movement initiated among the youths in the public security forces of the four cities has produced fine results in training and work.

One of the very significant achievements contributing to creating a basis for the youth union members of the public security forces of the four cities to keep moving forward is that various union organizations have been further consolidated and have become more steadfast. The quality of youth union members has been markedly improved as have the skills of various youth union leadership echelons. This is a very important factor contributing greatly to building party organizations and the people's public security forces into clean and steadfast ones.

Thanks to stepped-up emulation efforts to implement our esteemed Uncle's six teachings, very many copious and renovated forms of education and activities of youth union members of the public security forces of the four cities have emerged. The substance of these forms are very practical and profound and has helped improve the collective mastery spirit of public security youths and their sense of revolutionary awareness and responsibility. Youth union members of the public security force have volunteered to shoulder hard and difficult tasks and projects arising from combat, noncombat, unit building, and rear service requirements. They have always tried to creatively overcome difficulties and outstandingly fulfill all their assigned missions wherever they are needed--be it in urban, rural, sea, or mountainous areas.

The movement to establish cooperation and brotherhood between grassroots-level youth union chapters inside and outside the public security force has been developed in the four major cities and has attracted a large number of youths whose activities are very seething, exciting, and enthusiastic, thereby generating a revolutionary momentum among the masses in the struggle against

reactionaries of all colors and criminals; in the punishment of speculators, smugglers, hooligans, thieves, and bandits; in the management of population and household members; in the maintenance of security for wards, villages, public organs, enterprises, schools, hospitals, and so forth; in the providing of indoctrination to backward youths; and in the providing of assistance to families with sick or physically weak members as well as to needy and helpless families. Youth union members have made worthy contributions to the struggle to lower the crime rate, maintain public order and security, secure socialist property, and protect the people's lives and property.

In the movement to carry out the emulation pledges of public security youths in the four cities, many progressive models and many examples of good men and good work have emerged as a source of pride and also a subject for study by our fellow comrades-in-arms. They have been commended by the party and the local administrations and have helped win the compatriots' confidence and praise.

These results are ascribed to the fact that various party committee echelons and local administrations have implemented the Political Bureau's Resolution No 26 on the need to intensify party leadership over youth union activities and that they have concerned themselves with guiding the public security youths' movement to implement our Uncle's teachings. Various sectors and mass organizations have wholeheartedly welcomed this movement and have increased their confidence in the people's public security force. They have kept an eye on and helped the people's public security force satisfactorily implement Uncle Ho's six teachings. The relations of solidarity and cooperation between youths in the public security force and those youths in the armed forces, in various localities, public organs, enterprises, schools, and hospitals in training, at work, and in combat have become a source of strong encouragement for public security youths to play their role as a shock force in the struggle against the enemy's multifaceted war of sabotage and in the struggle against other kinds of crimes in order to maintain political security and social order.

These results are ascribed to the leadership skills of the Ho Chi Minh Communist Youth Union Central Committee and other youth union leadership echelons which have guided public security youths in linking the movement to study and implement our Uncle's six teachings with the "Operation To Follow the Footsteps of Heroic People" movement and with the "Operation to Follow our Uncle's Footsteps" movement now being initiated among youths throughout the nation.

These results are chiefly ascribed to the fact that various party committee and leadership echelons of the public security force know how to develop their youths' role as a shock force. They have created favorable conditions and have provided constant leadership and encouragement for youths to study, steel themselves, and achieve victories in all fields of work and combat.

On behalf of the leadership committee of the Ministry of Interior, I warmly welcome all the achievements and improvements scored by the youths of the public security forces of the four cities in emulating in implementing esteemed Uncle Ho's six teachings for people's public security agents. You, comrades, have made active contributions to maintaining public order and security and have made worthy contributions to building the people's public security force into a clean and steadfast one. In particular, I warmly praise those units and individuals which have scored outstanding achievements in this emulation movement.

I sincerely thank all party committees, the administration at all levels, the mass organizations, the people's army, and all the people for having intensively guided, supported, assisted, educated, and supervised the people's public security force and its young combatants to ensure scrupulous implementation of our Uncle's six teachings. I warmly welcome the efforts made by all localities, agencies, schools, hospitals, and so on to organize classes for cadres, party members, the people, and the public security force members to learn Uncle Ho's six teachings.

We have been enthused by the achievements and progress made by the public security force's young members in four major cities. We can advance further through self-criticism and criticism by clearly perceiving shortcomings and resolutely overcoming them.

Unit commanders are partly responsible for the restrictions of the youth movement. The youth union organizations of primary units operate under the direct leadership of party committee echelons and also under the command of unit commanders. The relationship between a unit commander and the youth union is the relationship between a chief and a mass organization and between a commander and the assault youth force of his unit. He must build this relationship well. In fact, we must strengthen the role and effectiveness of leadership by the party organizations and commanders. It should be realized that the mass motivation task is the duty of commanders and not a secondary task added to their function. Unit commanders must know how to hint, persuade, guide, and lead the youth union to realize the units' important tasks in each stage. At the same time, they must create all the conditions for the youth unions to develop the strength of their assault role to outstandingly fulfill their assigned tasks.

In the movement to learn and implement Uncle Ho's six teachings, an overwhelming majority of youth union members have struggled to surge forward, voluntarily forge themselves in revolutionary ethics, dedicate themselves to their duties, volunteer to assume difficult jobs, scrupulously comply with all regulations and rules, and firmly maintain discipline in all circumstances and at any place in the unit and when working individually as well, and either under control or not. Regrettably, few of our youth union and party members have not conducted self-criticism sternly and have not sincerely accepted criticism by their comrades and unit mates. These cadres and combatants have not clearly realized the revolutionary ideal, stand, and viewpoints, and have let individualism get the better of them. They prove to be self-seeking, calculating afraid of difficulties and hardships, and gradually they become degenerate, corrupt, deceitful, overbearing, and authoritative which will cause trouble to the /words indistinct/ youth union leaders have failed to promote collective intelligence and creativity. Their organizations and operations still look ostentatious and formal and lack substance. Their performances are still poor. In some localities, guidance is provided as orders and administrative rules. As a result, we are still unable to develop the zeal of youths and create a strong impetus for the movement.

Although many advanced models have appeared in the movement, leaders have not attentively launched an emulation drive to learn from, catch up with, and surpass models. Although security has been established in many city wards, villages, factories, agencies, hospitals, schools, and so on, action is not taken to consolidate and expand security and order to other areas in order to create belts of security and order.

I am convinced that the public security force leaders of all ranks and the leaders of youth unions in the force are fully qualified to overcome the abovementioned shortcomings and that the young combatants of the public security units of not only these four major cities but also the whole force throughout the country will strive to surge forward to score outstanding achievements, grow even more strongly and steadily, and remain worthy youths in the people's public security force.

At present, the public security force throughout the country is reviewing its movement for studying and implementing Uncle Ho's six teachings and is shifting to an emulation movement for "carrying out revolutionary acts according to Uncle Ho's six teachings and building comprehensive, firm, and strong units." This movement has been organized and launched by the Ministry of Interior for the entire public security force during the 1986-87 period.

Each cadre and combatant of the public security force must strive to forge an ideological concept, strengthen the combat task, and improve their daily lives through revolutionary action in accordance with Uncle Ho's six teachings in each specific case and particular condition, thereby consistently enhancing the political background, ideological concept, and combat capability of each individual and unit so as to improve their productivity, quality, and efficiency.

To maintain a pure, firm, and strong public security force, we must strive to build pure and comprehensively strong and firm units, especially grassroots units. In 1986 we must pay special attention to strengthening public security force units in villages; subwards; and towns at the border, in coastal areas, on islands, and in the Central Highlands and other key zones in order to turn all of them into strong units. All weak public security units at organizations, general departments, departments, and sections as well as those in provinces, municipalities, and special zones must be turned into comprehensively firm and strong units in accordance with the four criteria set forth by the Ministry of Interior.

This task will help the public security force further enhance its political and ideological background, capability, combat impetus, and professional skills. We must consistently train and forge the public security force to make it pure, firm, and strong--a trusted unit of the party, an effective apparatus of the dictatorship of the proletariat, and a beloved unit of the people.

We warmly praise the youths in the public security force of these four municipality, cities and provinces for their efforts in developing the assault role and continuing their emulation drive to carry out the movement for "implementing the revolutionary action according to Uncle Ho's six teachings and building comprehensively firm and strong units." We will welcome ever greater achievements and progress in this new emulation drive.

Through various revolutionary stages of sacrifice and hardship over half a century, under the banner of the glorious party, and trained and forged by esteemed Uncle Ho, the Ho Chi Minh Communist Youth Union /HCMCYU/ has maintained its assault role in the revolutionary forces. It has scored many brilliant achievements and always takes full responsibility in its heavy and glorious tasks assigned by the party and people. It is trusted by the party as its reserve unit and an effective tool.

Today, on the initial path of the transitional period toward socialism, the HCMCYU and youths throughout the country are carrying out the very new and heavy revolutionary task. We are implementing two strategic tasks of building socialism and defending the socialist fatherland. These tasks are being carried out in various forms and diversified activities full of difficulty and complexity against the background of the world decisive revolutionary struggle.

Over the past 10 years, we have scored basic and great significant victories and over the same period we have realized the difficulty, complexity, and decisiveness of the struggle of "who will triumph over whom" between socialism and capitalism. We have also struggled to foil the enemy's multifaceted war of sabotage in order to protect national independence and freedom, strengthen national defense, and maintain the fatherland's security.

This year is of great historic significance for the youths who serve as the right hand and a reserve force of the party and also a reliable shock force of the people. The Communist Youth Union and youths in our entire country are dutybound to make active contributions to implementing the resolutions of the party Central Committee's eighth and ninth plenums and other resolutions of the Political Bureau and the Council of Ministers on urgent tasks, policies, and measures aimed at reorganizing and stepping up agricultural, industrial, small industry, and handicraft production. They must link these activities with efforts to transform and control the market and prices, counter the enemy's sabotage activities, punish speculators and smugglers, do away with negativism, stabilize the socioeconomic situation and the people's lives, implement successfully the 1986 state plan, and score outstanding achievements to welcome the Sixth Party Congress.

While heightening their sense of responsibility and collective mastery and stepping up their self-criticism and criticism, youths across the country must surge forward more vigorously in the fields of productive labor, work, and combat with a faster tempo of life and with higher creativity and dynamism in order to attain higher output, quality, and efficiency. Through these activities, our youths must step up their efforts to steel themselves in order to improve their knowledge and abilities in all respects, build for themselves a new life-style and socialist ethics guided by the idea of "one for everybody," and cultivate their sense of courage, faithfulness, purity, modernity, and wholesomeness.

In tandem with the emulation movement of the youths nationwide and with that of youths in the people's armed forces, youths in the people's public security force must strive to compete with one another to carry out successfully the movement to "act in a revolutionary fashion in accordance with Uncle Ho's six teachings and to build comprehensively steadfast units." With a strong fighting will, and with wisdom and creative working capabilities, they must strive to score outstanding achievements in combat and noncombat activities and in the building of forces and to implement successfully the resolution of the 41st National Public Security Conference. They must also strive to firmly maintain national security and public order and make their greatest contributions to achieving socioeconomic construction, stabilizing the people's lives, and firmly defending the fatherland's frontier.

Youths across the country, youths in the people's armed forces, and youths in the people's public security force must strive to overcome all difficulties and ordeals and must be determined to fulfill their glorious and heavy mandate before the party, the fatherland, and the people in the current tough and challenging socialist revolutionary stage.

Our youths must "live, fight, work, and study in accordance with the examples set by great Uncle Ho," and must be worthy of being members of the generation that faithfully takes up the revolutionary cause of our glorious party and our heroic Vietnamese nation.

May youths in the public security forces of the four cities, together with youths in the entire country, grow more vigorously and score more outstanding achievements while playing their role as a shock force on the front for the maintaining of political security and social order.

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CSO: 4209/588

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

NAM DINH MUNICIPAL POLICE'S ACHIEVEMENTS

Nam Dinh HA NAM NINH in Vietnamese 26 Feb 86 p 4

[Article by Colonel Nguyen Van Bieu, chief of the Nam Dinh City Police Department: "Urban Security: Initial Progress in Building a Safe and Orderly City"]

[Text] The year 1985 was marked with scores of complex ups and downs in the political, economic, and social areas. Despite that fact, under the centralized and hands-on leadership of various party committees and levels of government, and with wholehearted support from agencies, enterprises, cadres, and citizens, the Nam Dinh municipal police has achieved notable progress in both its work and building its forces.

Carrying out its assault function in the struggle against the enemy's multifaceted subversive war, the municipal police force strengthened its control and subject classification activities and tirelessly and resolutely conducted its deterrence operations against bad elements. Many searches repeatedly conducted by the police resulted in the confiscation of over 400 music tapes, discs, and books and magazines with a reactionary or decadent content. The police also provided security for celebrations, New Year festivals, and important commemorations that took place all year round, contributed to the stimulation of revolutionary movements, and fulfilled its political tasks in the locality.

The protection of socialist property in the city also scored much progress. In its leadership and its day-to-day activities, the municipal police efficiently discharged its basic missions through a combination of education and deterrence as the main objective and of aggressive investigation. These efforts resulted in a 25-percent decrease in economic offenses compared with 1984, a 68-percent ratio of successful completion of investigative operations, and the recovery of much property and many goods worth 485,000 dong (new currency).

Social security and order in the city of Nam Dinh visibly improved, particularly in the last months of the year and on the occasion of the New Year of the Tiger. In the past year, the municipal police's efforts were instrumental in making the number of criminal cases go down by 17.13 percent. Serious criminal offenses decreased 26 percent.

However, there was from time to time an occasional outburst of burglary and theft cases. Disorderly conduct in public places and on transportation vehicles sometimes caused serious disturbances.

Confronted by the above occurrences, various levels of the party and government from the city to the wards and villages resolutely made a concerted effort to provide leadership and to carry out efficiently specific plans whose emphasis was placed on both deterrence and repression.

The municipal police gathered the necessary information, recommended the arrest and reeducation of hundreds of individuals, and investigated and uncovered nearly 400 cases of criminal offenses. In particular, in the last months of the year, in close cooperation with armed forces units stationed in the city, the police conducted over 90 patrols and searches to tail and hunt criminals. Thanks to personnel reinforcements, mechanization of assault forces, frequent changes of activity patterns, and a good combination of overt and covert operations, the police were successful in stamping out offenses such as possession of concealed weapons, illegal gathering, and disorderly conduct.

As a result, in the fourth quarter of 1985, the municipal police was credited with a 30.9 percent decrease in criminal offenses compared with the third quarter, and with the elimination of unlawful gathering places on Bac Ninh Street, Van Nhan Court, Lo Trau Slope, Cong Hai Street, etc.

As regards criminal prevention, the municipal police was in tight control of household registration and consequently was able to uncover in an early stage decadent youths and to take the initiative in providing educational measures and crime prevention activities. It also paid special attention to solving social ills.

Contributing to the execution of the resolution of the Eighth Plenum of the CPV Central Committee, in cooperation with related organizations, the municipal police participated in market reform and management, and in monitoring price postings and sales at posted prices. It gave still penalties to people charged with unlawfully doing business or violating trade laws. All police cadres and combatants are stepping up an emulation movement to carry out the six teachings of Uncle Ho, which aims at creating internal unity and unceasingly strives to raise the efficiency and quality of work, combat, and combat preparedness. However, besides the above great achievements, the municipal police force still suffers lingering problems such as right-wing leanings, evasion and a lack of a sense of responsibility, a lack of resolve to fight negative phenomena, and a bureaucratic and bothersome demeanor on the part of a few combatants that disturbs the people.

Keeping its momentum and resolutely overcoming its deficiencies, the municipal police force will endeavor to meet its emulation objectives in providing political security and protecting social order and safety and will zero in on the following key tasks:

- To launch drives and to provide guidance for citizens' participation in those drives and to draw house numbers, create citizens' cells, and guarantee the security of streets, subwards, villages, agencies and enterprises.

- To develop the assault role of the police and to carry out its function as a permanent staff element for the party chapter in the provision of guidance for the good execution of Resolution No 3 of the party.

- To work closely with the municipal youth union, the education bureau, and the women's association in the successful execution of special projects such as the reeducation of decadent youths and the teaching of morals in the schools as a means to prevent crime at the grassroots.

- In cooperation with other sectors, to assist people with livelihood problems and to assist people of working age in obtaining gainful employment.

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PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CRITICISM, SELF-CRITICISM PROMOTED TO RAISE PARTY QUALITY

Hanoi NHAN DAN in Vietnamese 29 Apr 86 p 3

[Article by Nguyen Van Bieu: "Promote Criticism and Self-criticism To Raise Revolutionary Quality of Cadres, Party Members"]

[Text] The leadership quality and reputation of the party depend primarily on its correct line and its effectiveness in implementing that line. But also very important for insuring that the line is closely adhered to and well implemented and to uphold the reputation of the party is the quality of cadre and membership ranks in work and in collective and private life. For that reason, to accomplish the mission of the party, each cadre and party member must be both virtuous and talented. Virtue and talent--or, in other words, quality and ability--are tied close together and have mutual influence. Of them, virtue is the root, or fundamental aspect of the cadre and party member. Uncle Ho says, "Virtue is the very important root; without revolutionary virtue, talent is useless." Thus, in order to have good results in the first phase of criticism and self-criticism, our party needs basic party organizations and cadres and party members to concentrate on one of the three points: quality of cadres and party members.

During the recent past, before the revolution's step forward in development, the majority of cadres and party members clearly displayed revolutionary virtue and creative ability of the communist. On the battlefield to defend the nation, preserve political security, and maintain social order and safety, on the front of economic, cultural, educational, and scientific construction, reform, and development, as well as on the diplomatic front, tens of thousands of party members and cadres have exemplified sacrifice and total devotion to the Fatherland and the people in superb performance of duty.

Yet at a time when the entire party and all the military and the people are striving resolutely in the lofty cause of the Fatherland and of socialism, a significant element of cadres and party members have declined in revolutionary quality, lowering the reputation of the party among the masses and weakening the effectiveness of efforts to implement the party line. The decline in virtue among one element of cadres and party members has been manifested in a lowering of their revolutionary will to fight. They usually

cool off in the face of people's burning needs in production, life, and combat. Revolutionary sentiments are gone from the hearts of many people, and efforts to carry out the party mission lack exemplary vanguard leadership. There are cadres and party members who fulfill responsibilities toward superiors only, without fulfilling those due subordinates, because they feel that satisfaction of superiors is everything. This attitude is wrong, because it is a failure to understand that the party and the government also work for the people and are primarily responsible to the people. If they are not responsible to the people, therefore, they are not responsible to the party. Not only that, but there are cadres and party members who have become degenerate in their behavior, which they have manifested by corruption, theft, bribery, smuggling, and dividing up goods and bartering among themselves in a way marked by special privilege and special advantage. They have set up a system of supplying living conveniences and equipment, housing, and vehicles beyond the established system; they have wasted, lost, and damaged state property and materials. Some cadres and party members have become accustomed to living on gifts that are bribes, making flattering purchases, throwing expensive parties to entertain conferences, behaving degenerately, and making a living from improper income, which have caused difficulties for the livelihoods of the people. Again, mention must be made of the kind of cadres and party members who, especially when they have authority, become arbitrary, dictatorial, not receptive to the opinions of the masses, bureaucratic, out of touch with reality, aloof from the basic level, without organization, without discipline, false in reports, flattering and enjoying the flattery of others. The above manifestations are contrary to the revolutionary quality of cadres and party members. These very shortcomings of cadres and party members in quality and virtue have caused and are causing obstacles to carrying out the policy line of the party, cause great economic and political damage, and are being exploited by the enemy to stir up the masses and lessen the confidence of the masses in the party. Therefore, to raise the revolutionary quality of cadres and party members, each comrade must conduct criticism and self-criticism with a lofty sense of responsibility, honesty, forthrightness, selflessness, and objectivity, and, with criticism based in the concrete, clearly point out violations against quality and virtue in himself and his comrades. Individual motives, prejudices against comrades, or untrue criticism must not be interjected. It is necessary to guard against persons who exploit criticism of their comrades' quality to falsely accuse them and cause internal dissention.

But the decisive issue for good results with criticism and self-criticism of the quality of cadres and party members is for key leadership cadres to be serious exemplars of self-criticism; these comrades must be representative examples in this regard. They must therefore display an attitude of facing the truth squarely, speaking the truth, and upholding strong points and comprehensively stating shortcomings in their revolutionary quality and virtue. Only when leadership cadres provide a good example of self-awareness and self-criticism before subordinates will cadres and party members be encouraged to criticize themselves to overcome their errors and shortcomings in quality and virtue. If leadership cadres do not provide an

example in criticizing their own revolutionary quality and virtue and provide little guidance to other people to perform this, there is little hope for cadre and party member criticisms to be effective. Wherever key leadership cadres increase democracy, they will encourage cadres and party members to emphasize the criticism of leadership cadres for violating quality and virtue. This develops democracy, increases discipline, and intensifies the spirit of self-ownership among cadres and party members.

While conducting criticism, leadership cadres must listen calmly, then afterwards accept it, if they consider it correct, or provide explanations, if they consider it wrong. Experience shows that cadres who are quick-tempered and argumentative with the person conducting a criticism only create a difficult atmosphere in the criticism and self-criticism session.

Our party strictly forbids retaliatory attacks by anyone against someone who has criticized him. Whoever violates this must be severely punished.

Any cadre or party member who seriously and sincerely criticizes himself for quality and virtue and who seeks to make progress should be held up as an example by superiors. However, any cadre or party member who criticizes himself without seriousness and insincerely, perfunctorily following regulations, must do it over again.

After criticism and self-criticism of cadres and party members for revolutionary quality and virtue, realistic and concrete corrective measures must be taken. Whatever can be corrected should be corrected immediately and must be manifested in practical actions to prove one's desire to progress. Whatever cannot be corrected immediately and requires planning and time for correction, upper echelons must monitor its correction, and, if it is not corrected, the individual must undergo party discipline. It is proposed that all levels expel from the party deviant and decadent elements without enough of the quality and virtue of party members.

Criticism and self-criticism of cadres and party members for revolutionary quality is a practice that displays the loyalty of party members for the party and manifests will and resolve to develop in order to live up to the reputation of party members for being "leaders and loyal servants of the people," as Chairman Ho Chi Minh taught.

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HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

EDITORIAL CALLS FOR REALIGNMENT OF CONSTRUCTION PROJECTS

Hanoi NHAN DAN in Vietnamese 29 Apr 86 pp 1, 4

[Editorial: "Realigning Construction"]

[Text] To implement recent party and state resolutions, construction work is being realigned in the direction of concentrating funds, materials, and labor on essential projects and projects that can be put into production fast and with high economic effectiveness; suspending initiation of or delaying progress on projects, at central echelon and local levels alike, that are not critical, especially non-production projects; and practicing absolute conservation. This is to serve as a basis for realigning and redeploying forces appropriate to each area of operation, coordinating the immediate future with the long-term, stepping up construction on key projects, exploiting and activating the currently available material and technical base and labor forces, and reducing intermediate operations, dispersed construction, and uniform investment.

Preliminary results of the construction realignment have been seen in a number sectors and localities: thousands of specialized technicians have developed expertise; operating time has increased for hundreds of vehicles, machines, and processing equipment; there has been progress in the effort to make workshops the basis for the construction process; there are more forces to expand the production of materials and supply construction materials more uniformly and on time; and the emulation drive for high productivity and good quality in construction projects has become strong and widespread. Therefore, though there have been many difficulties, the pace of construction has been maintained at key projects since the start of the year. At Hoa Binh Hydroelectric Plant, for instance, the second phase of damming Da River has been successfully completed, and construction has entered stage of preparing and installing the equipment for Generator No. 1. The pace of construction is being met on Generator No. 4 at the Pha Lai Heat-driven Power Plant. The construction project in the Vung Tau Gas and Oil Service Zone project continues to expand construction in support of off-shore drilling rigs.

Yet the realignment of construction is still going slow and indecisively and, most important, strict conservation has not been practiced with investment expenditures. There are still plenty instances of thinly dispersed investment, which leads to construction forces and construction materials being uniformly scattered out, making it difficult to regulate and manage, and the funds expended are slow to show results at the end. In capital construction, whenever more funds are expended, it is required that there are corresponding additional materials, fuel, and equipment. Investment without careful audit and evaluation can lead to reductions in materials at key projects, making imbalances more acute. This leads to all projects being poorly constructed, which causes great harm to the profession in general, especially now, when construction materials are needed by the state to exchange with farmers in order to acquire more agricultural products and food, contribute to stabilization of the standard of living for workers, and strive to manage the market and prices.

The correct line of the party and state, which has high economic effectiveness, is to invest in key-point construction and strictly practice various forms of conservation in all phases and operations in the process of investing in construction projects. Investing in key projects leads to centralization of materials, tools, and labor and increases construction organization, management, and guidance. Expenditures for capital construction are an important part of the state budget. Conservation in all stages of the process of investment in construction projects has great significance. Many sectors and localities, now doing rather well in the first steps of the drive for the state and the people to "work together," have made more investments of available funds to push building the material and technical base. This effort deserves encouragement. Yet what requires attention is that, whatever the funds, the realignment of construction projects must be considered with true care, in keeping with the direction of investment in key projects, thoroughgoing conservation, and dependence on available construction forces, especially those of the public sector, to organize construction; not, because funds are in hand, proliferating projects, hiring outside technicians, dispersing materials, and hindering organization, realignment, and management of construction.

Basic to realigning construction is the need for planning and, first of all, realignment of building investment; simultaneously, work must be allocated to each sector in strict accordance with the function and specialization of each sector. The situation must not exist in which a sector specializing in building the material and technical base lacks work to do, while sectors not assigned the function of construction forms another assembly corporation here and a construction enterprise there, which is duplicative and wasteful. For the immediate future, sectors and localities must base themselves on the planning mission, on the amount of construction on key projects of the state, and on the construction needs in all geographical areas in order to delimit centralization and decentralization and choose the form of construction appropriate to their own particular conditions. At the same time, they must renovate the planning effort soon and fully and synchronously improve a number of economic and financial policies which

presently entail many restrictions, in order to expand the ability to activate the ownership rights of the basic level in the construction sector in the spirit of the draft resolution of the Political Bureau on insuring the right of basic economic units to initiative in production and business. Because construction is characterized by a fixed, single product produced over a long period of time--sometimes 7 years--and depends on external factors, continuing to realign forces and reorganize production in construction are important prerequisites for the new system to be fully successful.

On this traditional occasion of the construction sector (29 April), our people wish success to the powerful ranks of construction workers in our country diligently exercising their right to take the initiative, realign construction, make investments effective, and bring projects into use at the right pace.

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HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

BRIEFS

PHA LAI POWER PLANT--Since Generator No. 1 officially began transmitting electricity at the end of 1983, the Pha Lai Heat-driven Power Plant has produced more than 3 billion kilowatt-hours of electricity. The power plant fills a key role in transmitting electricity over the national network in the north. The three generators that have been put into operation are generating steady, stable, and good-quality power. During the 2 years 1984 and 1985, the plant surpassed targets by 100-700 million kilowatt-hours. During the 1st quarter of this year, it produced 506,740,000 kilowatt-hours. Thanks to good storage and many technical handling measures, the plant cut fuel waste and conserved more than the designated amount. Vietnamese cadres and workers and Soviet technicians are working to construct Generator No. 4 and ensure that the three already available operate well; they are striving to surpass the target of 500 million kilowatt-hours during the 2nd quarter of 1986 and make achievements in honor of the 100th annual International Labor Day on 1 May. [Text] [Hanoi NHAN DAN in Vietnamese 19 Apr 86 p 1] 9830

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POPULATION, CUSTOMS, AND CULTURE

VIETNAM

HAI HAU READY TO MOVE 5,000 TO NEZ

Nam Dinh HA NAM NINH in Vietnamese 26 Feb 86 p 2

[Article by Phan Thanh Phuong, VNA correspondent in Na Nam Ninh: "Hai Hau Readies Itself in Sending 5,000 to NEZ"]

[Text] Hai Hau is a district where a rice output of 80 quintals or more per hectare has been steadily obtained in recent years. Nevertheless, thoroughly understanding the party policiss in redistributing labor nationwide, the district has, several years in a row, completed and exceeded its norms in sending people to new economic zones in the high plateaus and the Mekong delta.

Embarking on the 1986 resettlement plan, Hai Hau District dispatched a group of cadres led by the comrade deputy chairman of the district people's committee to Mang Giang District (Gia Lai-Kontum) to work out details for a smooth reception of resettlers. In conjunction with the receiving district, the delegation surveyed and studied the soil and formulated short- and long-range plans for planting appropriate crops, particularly industrial and forestry plants such as coffee, black pepper, tea, beans, precious wood, and fruit trees. Back from the journey, the delegation passes on the information to villages having to send people to the NEZ in 1986 to allow them to get ready for the transfer.

Hai Hau District especially worked out a plan by which cadres from district agencies and other units are carefully selected and sent along with resettlers to the NEZ where they serve as nuclei for a new leadership group that provides guidance for the people in organizing their new living arrangements and in production. With regard to displaced cadres, the district has a set of clearly defined procedures for cadres who stay permanently at the NEZ and for those who stay has a time limit. To make resettlers more reassured, Hai Hau ordered its education and health bureaus to designate teachers, paramedics, and doctors to accompany them in order that these cadres may work together with the receiving locality in rapidly building health stations and schools for the NEZ. In 1986, Hai Hau plans to send 5,000 persons to the district of Mang Giang. In the immediate future, Hai Hau will send 300 households comprising 1,500 persons in 2 phases that will take place after the lunar new year. Preparations for moving resettlers are being handled well by the Truc Thang, Hai Giang,

Truc Thai, and Hai Phuc cooperatives. Nearly 100 households have volunteered for the NEZ and completed registration and property liquidation. In addition to incentives provided by basic units according to current procedures, the district gives each individual an additional bonus of 3 months of grain supply which will be hauled by the district and delivered at the NEZ.

Receiving localities have also pledged wholehearted support in the form of seeds, tools, lumber and bamboo, and free labor for building houses. The efforts are intended to reassure resettlers and make them feel enthusiastic in the new experience.

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POPULATION, CUSTOMS, AND CULTURE

VIETNAM

BRIEFS

NEZ BUILDING--In the last half of February 1986, our province has successively arranged five journeys to send citizens and laborers to new economic zones in Lam Dong and Gia Lai-Kontum. Added to the 4 trips completed in January, the total number of resettlers in the last 2 months comprised 537 households including 2,478 persons and 1,173 laborers. The Y Yen District, which transferred 146 households to the NEZ's, got the best results of all, and was followed by Kim Bang with 104 households and Hai Hau with 82. Due to a thorough understanding of related regimes and policies, and to close cooperation between the sending and receiving localities which delineated each party's responsibilities in assisting newcomers in rapidly securing stable living conditions and in starting production activities, most resettlers felt confident and reassured. In the new land particularly, they were able to build their own houses and to clear the land to plant their own gardens and farms in time with the start of the rainy season in April. [Text] [Nam Dinh HA NAM NINH in Vietnamese 21 Feb 86 p 1] 9458/9190

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